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THE COVER

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The Emergency National Defense Organization

By JOSEPH P. HARRIS

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I
A GREAT national defense program, such as this country is now undertaking, requires adequate and effective organization, not only for the conduct of military enterprise, but also for the mobilization of every part of our national economy, including government itself. The organization for over-all management and direction, with which this article is concerned, is of tremendous importance to the successful prosecution of the program. Modern warfare is not conducted by small professional armies alone; it commands the energies of the entire population. When a nation engages in war today, all other business and interests are subordinated to the one supreme end of winning the war. While this country is not at war, the administrative problems of a large defense program are similar to those of actual war, and in a defense program it is essential to build an organization which, with modifications, will meet wartime needs.

During the World War a considerable number of emergency agencies were created to perform wartime activities, particularly those relating to the supply of matériel for the conduct of the war. Several major changes in the governmental organization for the prosecution of the war were proposed and discussed, such as the creation of a special war cabinet like that set up by Lloyd George in Great Britain, the formation of a special department of munitions, and the establishment of a special department of aviation, but none of them was actually

made. The Congress granted to the President, by the Overman Act of May 18, 1918, the authority to make changes in the internal organization of the government for the purpose of successfully prosecuting the war. This authority, granted more than a year after our entry into the war, was used to make a number of important changes in the organization of the agencies directly concerned with war activities. It should be noted, however, that the most important emergency agencies were already in existence, most of them growing out of the committees of the National Defense Council, in some instances without specific statutory authority. The principal wartime agencies included the Council of National Defense, the Advisory Commission to the Council, the War Industries Board (which after March, 1918, played a key role in the procurement of materials and munitions, taking over the functions of the General Munitions Board), the Capital Issues Committee, the War Finance Corporation, the Shipping Board and the Emergency Fleet Corporation, the War Trade Board, the War Labor Administration, the Fuel Administration, the Food Administration, the Railroad Administration, and the Committee on Public Information. The heads of most of these agencies reported directly to the President.

It is to be expected, of course, that a huge program of national defense will require enlargement of the governmental organization, particularly to cope with new situations and problems and to provide overhead

direction and coordination.¹ The military and defense appropriations and contract authorizations made this year total more than twelve billion dollars, with an additional four billion estimated in the cost of a "two ocean" navy. The actual expenditures during the current fiscal year, despite the fact that it takes considerable time to get so vast a program under way, will total between seven and eight billion dollars, or about as much as the total federal budget for all purposes during recent years. This amount may be compared with the normal operating or administrative expenditures of the civil departments of the federal government, which have run about a billion dollars annually for the last twenty years.²

The efficacy of the overhead organization to direct the great defense program of this country is of the greatest importance. The caliber of the men in charge is important, but the type of administrative organization will also greatly influence the manner in which the program is carried forward. Several fundamental problems of organization are involved. Is the machinery for overall direction, planning, and coordination of all agencies of the government, civil as well as military, adequate for this task which by comparison dwarfs the operations of the most gigantic industrial corporation? What should be the role of the President as head of the executive branch of the government and commander-in-chief of the military and naval forces? How may his office be

¹ The Canadian Government has established a large number of new agencies, and its wartime organization contains many boards of all sorts, including among others the Advisory Committee on Economic Policy, Wartime Industries Control Board, Inventions Board, Agricultural Supplies Board, Bacon Board, Dairy Products Board, Wartime Fisheries Advisory Board, Wartime Prices and Trade Board, National Labor Supply Council, and the Censorship Coordination Committee. In comparison, the emergency organization of this country contains few new agencies, though additional ones are being created from time to time.

² Staggering as these expenditures for defense are, they are relatively small in comparison with the expenditures of Great Britain and Germany, and of France before her defeat. These countries have been spending from 50 to 60 per cent of the total national income on war, while our expenditures for national defense in the current fiscal year will amount to only about 10 per cent of the national income.

staffed? Should the conduct of the defense program be entrusted to the regular existing agencies of the government, or should new, independent agencies be utilized? If new agencies are to be used, how should they be set up? What authority should they exercise, to whom should they be responsible, what should be their relations to existing governmental agencies working in the same field, and how may conflicts and duplication of effort be avoided?

The problem of organizing for a great defense program is quite different now from the problem of organizing for war in 1917 and 1918. Not only do we have the advantage of that experience, but the federal government and the states are now far better equipped by legislation, organization, specialized staffs, and field forces to carry on many of the activities of a defense program. The federal government has greatly expanded its services to industry, agriculture, commerce, labor, and other walks of life, and is exercising important regulatory functions which did not exist in 1917, or existed only in an elementary form. The Bureau of Public Roads, for example, had only recently been set up in 1917; now it has become a well established institution with effective relations with the states, equipped not only to consider the highway needs for defense, but also to direct whatever program becomes necessary.

Prior to 1917 there were, indeed, few relations between the federal governments and the states. Grants-in-aid were confined to a few functions, which were administered with little or no federal supervision, and cost only a few million dollars annually. Now federal aid furthers many of the most important state and local functions, and federal agencies in social security, public health, public works, vocational education, public employment offices, unemployment compensation, and other services carry on and direct comprehensive national programs reaching every state in the union. In 1917 there was no national agency for the regulation of securities; there was no

Bureau of the Budget to aid the President; the Department of Agriculture consisted almost wholly of a few small scientific bureaus, and administered no great national program reaching farmers throughout the country; and there was no agency comparable to the Reconstruction Finance Corporation, the Tennessee Valley Authority, the Maritime Commission, or the Import-Export Bank—to mention only a few which are destined to play an important part in the present defense program.

The state and local governments have likewise greatly expanded their activities and organizations since 1917. Then the functions of the state health departments were largely restricted to the enforcement of sanitary regulations and the prevention of epidemics. State welfare departments, where they existed, usually did little besides operate state institutions. Only one or two states had state police systems. There were only a few public employment offices, and they confined their activities largely to day-labor placement. Vocational education was barely starting. Few states had highway departments. The enormous development and expansion of state and local governmental activities since 1917 is an important factor in the defense program.

II

THE present administration has moved vigorously to place the country in a strong defense position. In January of this year the regular estimates for the armed forces were increased to about two billion dollars—an increase of a half billion dollars over the preceding year, and considerably more than double the estimates of earlier years. Since May, supplementary requests, approved by Congress with little opposition, have brought the total, including contract authorizations, to more than twelve billion dollars. New heads and assistant secretaries have been appointed to the War and Navy Departments, and a number of emergency agencies have been created not only to facilitate the procurement of munitions and sup-

plies, but also to facilitate the planning and coordination of the activities of all of the agencies of the government as they relate to defense.

This account is concerned with the overall organization for the management and direction of the huge defense program, and more particularly with the emergency agencies which have been created to assist the military departments in securing the necessary supplies. The defense program will be carried out in large measure by the War and the Navy Departments, which have the primary responsibility. Questions are sometimes raised as to whether they are adequately organized for the task, and proposals are occasionally voiced for a single department of national defense, for an independent air service, for a ministry of munitions, and for a single coordinator of our armed forces, but these problems are beyond the scope of the present article.

The military organization which we have is practically the same as that with which we went through the World War, and there is no strong sentiment for its alteration. The General Staff of the Army has been reorganized and greatly strengthened since 1920, and is responsible for the preparation of plans which will greatly expedite the present program. There can be no question whatever but that the military services are in a far better position than they were at the outbreak of war in 1917. For example, never during the World War was it possible for the War Industries Board and other agencies charged with industrial mobilization to secure reasonably accurate statements of the matériel requirements from the Army; in contrast the War and Navy Departments are already supplying the National Defense Advisory Commission with detailed statements of these requirements.

Emergency Agencies

TWO weeks after the President sent to the Congress his first request for supplementary appropriations for defense in May of

this year, he set up two emergency agencies authorized by law. The first of these was the Office of Emergency Management in the White House. This Office is the sixth division in the Executive Office of the President.¹ The functions assigned to the Office of Emergency Management are to:

"(a) Assist the President in the clearance of information with respect to measures necessitated by the threatened emergency;

"(b) Maintain liaison between the President and the Council of National Defense and its Advisory Commission, and with such other agencies, public or private, as the President may direct, for the purpose of securing maximum utilization and coordination in meeting the threatened emergency;

"(c) Perform such additional duties as the President may direct."

The President appointed as head of this Office Mr. William H. McReynolds, one of the ablest career administrators in the Government, who had served as Administrative Assistant to the President and Personnel Liaison Officer during the preceding year.

The second emergency agency established in May was the Advisory Commission to the Council of National Defense, which was set up under an Act of Congress of 1916. This Act provides for a Council of National Defense, which consists of the Secretaries of War, Navy, Interior, Agriculture, Commerce, and Labor, and an Advisory Commission of seven members, "each of whom shall have special knowledge of some industry, public utility, or the development of some natural resource, or be otherwise specially qualified." To the Advisory Commission the following outstanding persons

were appointed, with assignments as indicated:

Edward R. Stettinius, Jr.	Industrial Materials
William S. Knudsen	Industrial Production
Sidney Hillman	Labor
Chester C. Davis	Agriculture
Ralph Budd	Transportation
Leon Henderson	Price Stabilization
Harriet Elliott	Consumer Protection

The President himself is the head of the National Defense Advisory Commission, as—according to a widely circulated story—he promised he would be in reply to a question put to him at the first meeting by Mr. Knudsen, who bluntly asked, "Who is going to be the boss?" The Commission is nominally subordinate to the Council of National Defense, its parent body, but in reality it reports directly to the President, and it is not anticipated that the Council will play an active role. The work of the Council will be conducted by subordinate bodies, including in addition to the Advisory Commission such agencies as the Coordinator of Defense Purchases and the National Defense Research Committee.

The President appointed Mr. McReynolds, who was already in charge of the Office of Emergency Management, as Secretary of the Council of National Defense and Secretary of the Advisory Commission to the Council. Mr. McReynolds thus occupies a key position in the national defense program, but, in keeping with the best traditions in the permanent civil service, is seldom mentioned in the headlines. His duties are not described by the title "secretary," for they are more nearly those of a director. He presides at all the meetings of the National Defense Advisory Commission and in matters of coordination serves as the channel to the President, while the Commissioners also have access to the President when necessary. As Administrative Assistant to the President and head of the Office of Emergency Management, he is the ranking adviser to the President on all matters within the jurisdiction of the emergency defense agencies.

¹ The Executive Office was set up by the first and second Reorganization Plans, effective in July, 1939, and its divisions were established by Executive Order in September, 1939. The other divisions are: (1) the White House Office; (2) the Bureau of the Budget; (3) the National Resources Planning Board; (4) the Liaison Office for Personnel Management; and (5) the Office of Government Reports.

His role, however, has been largely that of facilitating rather than directing or controlling the work of these agencies; he participates and advises in all important policy questions, and helps to find a way to do the job at hand—an extremely important function requiring a person thoroughly familiar with the government—but he leaves the emergency advisers free to work out their individual assignments. In fact, several officials have suggested that a larger degree of central direction and supervision would facilitate their work.

Each member of the Advisory Commission was given a specific individual assignment as "Adviser" to the President in a particular field. It was expected that the group ordinarily would not act as a commission, but that each member would carry out his assignment and report directly to the President. Meetings at first were held only once a week, but the Commission now meets twice a week, in addition to its weekly meeting with the President. Those who planned the organization doubtless were afraid of the delays and difficulty of securing action through a board form of organization, under which formal action would be required for all important decisions.

In practice, each Commissioner has felt impelled to bring as many important decisions as possible to the attention of the group and to seek its advice and consent before taking action. The Commissioners have worked well together. There have been no conflicts or disputes, and Commission meetings, aside from the time required, have not slowed up the work of the individual members, as they might have if the group had been legally constituted as a commission, requiring a majority vote on all important matters.

The executive order creating the National Defense Advisory Commission did not specify in detail the assignment of each member, but rather indicated a broad field of responsibility. The nature of their activities has varied rather widely, depending upon the task to be performed. A cardinal

principle in the directive given to the Commissioners personally by the President was that they should not become operating officials or take over the functions performed by regular established agencies of the government. Broadly speaking, their general assignment is to look ahead to see what steps may be necessary to expedite the provision of supplies and munitions to the armed forces, to discover bottlenecks which may slow up the program, and to make the necessary recommendations or see to it that the proper steps are taken.

Under the National Defense Act of 1916, it is the duty of the Council of National Defense, and hence of the Advisory Commission, to conduct investigations and make recommendations with regard to:

1. the location of railroads and transportation facilities for military purposes;
2. the mobilization of military and naval resources for defense;
3. the increase of domestic production essential for the support of the armies and the people;
4. the development of seagoing transportation;
5. the assembly of data as to production and availability of military supplies;
6. the giving of information to producers and manufacturers as to requirements of supplies;
7. the creation of relations which will make possible the immediate concentration and utilization of the resources of the nation.

Although generally the members of the Commission act individually rather than as a board, and by virtue of their relationship to the President rather than on formally granted authority, on an increasing number of matters important authority is being given by Congress and by the President to the Commission as a collective body. According to directions from the President, the Secretaries of War and the Navy must present to the Commission for review any orders for the commandeering of industrial plants under the Selective Service Act. The

approval of the Commission is required for taking over any plants, but an adverse decision may be appealed to the President himself. The Attorney General has asked the Commission acting as a body to certify exemptions from prosecution under the anti-trust laws. It is expected that the Commission will be called on to give its consent, either in an advisory capacity or by formal certificate, before any industry will be permitted to amortize the costs of plant expansion over a five-year period.

Furthermore, a formal sanction was granted to Mr. Knudsen by a presidential order to the effect that all "important" military and naval contracts must be approved by him before becoming effective. The qualification has been interpreted to mean contracts in excess of \$500,000.

To serve the seven divisions of the Advisory Commission, each headed by a Commissioner, a number of separate divisions have been created. These include:

Bureau of Research and Statistics	Stacy May
Coordinator of Housing	Charles F. Palmer
Division of State and Local Cooperation	Frank Bane

Several emergency agencies have also been created as subordinate bodies to the Council of National Defense, and hence are independent of the Advisory Commission. One of these, the Coordinator of Defense Purchases, works very closely with the several divisions of the Advisory Commission, and the Coordinator is virtually an eighth member of the Commission.

All of the Commissioners and the subordinate divisions of the National Defense Advisory Commission carry on studies of various aspects of the defense program, but it would be a mistake to look upon their activity as essentially research. Their studies are preliminary to conference, negotiation, and the finding of the most suitable methods to deal with specific situations. Most of the studies are surveys of industrial ca-

pacities, available supplies, military requirements, and economic and legal problems. They are carried on by persons already thoroughly familiar with the subjects, who know where to turn quickly for the most complete available information.

The major function of the Commission, considered as a whole, is to act as an intermediary between the procurement agencies of the government, particularly of the military branches, and industry, agriculture, labor, and state and local governments. In ordinary times the military requirements are not large enough to give rise to any very great problems of supply, or to affect seriously the general economy. The procurement officials have had little reason to be concerned about the ability of industry and agriculture to meet requirements on time. They have customarily used ordinary methods of purchasing through open competitive bidding, without any attempt to advise industrialists ahead of time about prospective requirements so that they might plan production and, if necessary, increase facilities.¹

During a period of emergency, when military requirements are multiplied, it becomes of the utmost importance to transmit these requirements to industry as early as possible and to secure the cooperation of industry to meet them on time; to increase plant capacities where necessary; to discover prospective shortages; to build up reserves or "stock piles" of strategic and critical materials; to provide for the necessary transportation facilities; to ascertain labor requirements in terms of the specific skills needed, and to undertake training programs; and to study the impact of the de-

¹ It should be added that the military branches have recognized since the World War the importance of procurement planning and the mobilization of industry in a war or emergency situation, and have carried on elaborate studies of industrial capacities, made inventories of strategic and critical materials, and developed plans and specifications for an enlarged program. Within the last year the Army has made extensive use of "educational" orders designed to increase industrial capacities and to prepare individual industries for production to meet military requirements.

fense program upon state and local governments and the national economy.

This is the task of the National Defense Advisory Commission. To carry it out, the members of the Commission, in their respective assignments, need to know as precisely as possible what the matériel requirements of the military services will be, with time schedules. The members of the Advisory Commission cannot stop with a consideration of the requirements under existing appropriations, but must look ahead to expanded requirements under pending plans, and consider what the situation would be if the country were to become involved in war. It cannot be expected that the requirements can be foretold with great accuracy; the program now, as during the World War, is constantly expanding. At the same time military science is changing rapidly, outmoding methods and equipment. Nevertheless, the manufacture of munitions and machines of war requires considerable time, and industrialists must be advised as far ahead as possible concerning requirements if they are to increase their facilities and finish their products on time.

After ascertaining the military requirements, the next step is to study the capacity of industry in order to discover and to eliminate bottlenecks. The bottlenecks may be of various types. An essential material, such as tungsten, rubber, mica, graphite, manganese, tin, and chrome, may not be available in this country, or may be available only in small amounts; the task is to secure an adequate reserve from abroad. Plant capacities may be inadequate for the production of the required quantity of airplane engines, tanks, armor plate, explosives, or other machines or supplies required in modern warfare. Then it becomes necessary to consider all of the problems incident to plant expansion, and to see to it that the necessary steps are taken as promptly as possible, for at best there will be a considerable lapse of time before production can be started. Another bottleneck is the supply of labor, particularly of skilled mechanics,

machine tool workers, and many other highly specialized workmen, including engineers as well as workers in the skilled trades. The need here is to institute training programs to fill up the gaps. Fortunately, few shortages are anticipated in transportation and agriculture, in great contrast to the conditions which obtained during the World War.

In addition to bottlenecks in production, there are many problems or difficulties which may slow up the program unless they are foreseen and avoided. Housing families of workers in the areas of defense industries and troop concentration may constitute a serious bottleneck, and consequently there is great need for a carefully considered, well integrated, and adequate housing program. This need has been recognized in the recent large appropriation by Congress for defense housing. The impact of the defense program upon our national economy, its effect upon the production of consumer goods, and particularly the danger of unwarranted increases in prices present problems which require careful study and planning if the program is to be carried forward effectively, with a minimum disturbance of the normal life of the nation.

The special problems of public health and medical service for troops and industrial concentrations will also require careful planning. The coordination of the regular civil public health services—federal, state, and local—with those of the armed forces, and the enlistment of the assistance of the medical profession are of great importance to the successful functioning of the program. Similarly, there will be acute welfare problems which must be foreseen and planned for, so that the combined forces of federal, state, and local public welfare agencies may be utilized. Of even greater importance than any of these problems, however, is the maintenance of a high public morale, and the winning of enthusiastic and determined public support. For this reason, it is tremendously important that the country maintain and safeguard the social gains that it has

made, and not permit the defense program to be the means of lowering the standard of living, unless sacrifices become necessary for the national defense.

The task, accordingly, of those who are aiding the President in mapping out plans and filling in the details of an extensive defense program reaches far beyond that of merely aiding the procurement agencies in securing materials on time. They must consider such problems as the effect of the program on the general economy, on the several interests of the government, and on the production and consumption of civilian goods. It is the responsibility of these emergency officials and agencies, acting as the advisers and assistants of the President, and armed primarily with the sanctions of his office, to see to it that the national defense program goes forward on all fronts, and to safeguard against some of the mistakes of the World War, particularly speculation and an increase in prices. They operate as consultants to the government, attached to the office of the President. They have no operating responsibilities, and are free to devote their entire attention to the planning, study, conference, and negotiation that are essential to the prosecution of the defense program. They are engaged in activities which on a much smaller scale would be carried on directly by the chief executive. They have been selected because of their special knowledge and their ability to deal wisely and effectively with leaders in industry, labor, agriculture, transportation, housing, finance, public welfare, public health and medicine, science, and other fields in private life and in government. How well they do their task will greatly affect the prosecution of the national defense program.

Divisions of Commission

THERE follows an account in some detail of the organization and activities of the several members and subordinate divisions of the National Defense Advisory Commission, and of the emergency agencies subordinate to the Council of National Defense.

Industrial Materials

It is the responsibility of Mr. Edward R. Stettinius, Jr., formerly Chairman of the United States Steel Corporation, as head of the Industrial Materials Division, to facilitate the securing of adequate supplies of industrial materials to meet the requirements of the defense program. These materials are classified as "strategic," "critical," and "essential." Strategic materials are those essential to military operations which are not ordinarily produced in this country, such as rubber, tin, silk, tungsten, antimony, manganese, and chrome ore. Critical materials are those of which the domestic supply is likely to be inadequate, while essential materials are those the supply of which presents less of a problem. The line of demarcation between this Division and the Production Division is at the point where materials are cut up. Hides and armor plate, for example, fall within the former Division, while shoes and tanks are the responsibility of the Production Division. Heat, light, and power, as well as the chemical and aluminum industries, have been assigned to the Industrial Materials Division.

The Division is organized into the following units: (1) mining and mineral products, (2) agricultural and forest products, and (3) chemical and allied products. Each of these three units is further broken down into sub-fields. For example, the agricultural and forest products unit is divided into the following sections: textiles, lumber, pulp and paper, leather, and rubber products. These sections in turn are divided into individual products, usually with one or more persons assigned to each product.

The staff members of the Industrial Materials Division consist, in the main, of outstanding industrialists. For the most part they have been drawn from the managerial group, though they include also a number of scientists and economists. Many of the ablest industrialists have been secured to serve the government in this work without compensation. They are experts in pro-

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duction, well acquainted with their particular industries, and thus in a position not only to advise businessmen of government requirements, but also to secure their cooperation in whatever increase of production or capacity may be needed.

The procedure of the Division is first to secure from the Army and Navy a statement of their requirements. These requirements usually have to be broken down further in terms of the raw materials which will be needed. The next step is to check these requirements against the available supply and capacity of industry. When it appears that there will be little or no problem of supply, no follow-up is required; but when it appears that there is danger of a shortage, in view of civilian as well as military requirements, the unit concerned undertakes to develop ways and means of building up the necessary stock pile or bringing about the necessary industrial expansion. One of the first steps, accordingly, has been to make preliminary surveys of the existing stocks on hand and industrial capacity.

As an illustration of the procedure which the Division follows, the case of a conference on light armor plate may be cited. The principal producers were invited to attend a meeting, which was held jointly with the Army and Navy, and to come prepared with specific information as to their capacities to produce certain key types of armor plate. At the meeting they were advised specifically of the requirements of the defense program. The various problems incident to meeting those requirements were discussed and agreements reached whereby the industry, with the financial assistance of the government, would undertake the necessary expansions. Similar conferences are being conducted in many fields, and the unqualified cooperation of industry is being secured.

It will be of interest to review some of the principal accomplishments of the Industrial Materials Division to date. To meet the increased requirements of aluminum for airplanes, the Aluminum Company of America

agreed to expand its plants in Tennessee with its own capital, provided it could get the additional power necessary for increased production. The staff of the Division investigated the situation and recommended to Congress an additional appropriation of \$25,000,000 this year to the Tennessee Valley Authority in an expansion program which will cost \$65,000,000 and increase its capacity by about 25 per cent.

In view of the possibility that the source of rubber supply from the Malay Peninsula and the East Indies might be cut off, considerable study of the rubber supply and of the possibility of manufacturing synthetic rubber has been conducted. A Rubber Reserve Corporation has been created under the Reconstruction Finance Corporation, and a buying committee from the industry is building up reserve stock, taking into account the market prices. The production of synthetic rubber has been the subject of considerable investigation, and numerous conferences have been held with leading manufacturers who have conducted researches on synthetic rubber. Plans are being developed for building industrial plants to test the possibilities in this field and also to provide a small stand-by supply which can be expanded.

Large purchases of tin, chrome ore, antimony, tungsten, and graphite have been made, and substantial progress has been made in building up stock piles. Under consideration now are plans for the building of a tin smelter in this country to safeguard the supply of this essential war material. The stock pile of manganese is being increased, and arrangements are pending with Brazil to increase the supply from that country by rehabilitation of the railroad over which manganese ore is hauled and by giving priority to manganese ore.

One of the important accomplishments of the Division has been the initiation of a program for increasing production and building up a large reserve of 100 octane aviation gasoline, which produces considerably more power than ordinary aviation

gasoline. The present production of 100 octane gasoline is substantially greater than peacetime needs, and it is planned to build up a reserve in large underground storage tanks. On the recommendation of the Division, the R.F.C. has created a special corporation to purchase and store this reserve. The Division has been instrumental in making available to the military authorities the advice and assistance of industrial engineers in developing storage facilities.

In the World War it was very hard to get adequate supplies of optical glass for scientific instruments, but at present it seems likely that there will be no shortage. Both producers in this field are expanding their plants, and total capacity by the end of 1940 will be more than double that of July, 1940.

The activities of the Division in locating badly needed strategic and critical materials abroad, moving rapidly to purchase them, making all the necessary arrangements within the government, and conducting negotiations with owners, foreign governments, and shipping lines, have included many stirring episodes. Many deals have been consummated over the telephone late at night. One Monday morning it was learned through the Chinese government that a large stock of tungsten and antimony—two greatly needed metals produced largely outside of this country—was in Indo-China. The next morning the United States government bought the supply and the following week it was loaded on board ship at Haiphong, Indo-China, for this country. One morning word was received that there was a substantial tonnage of chrome ore on a dock in a Turkish city. By noon the R.F.C. had purchased this strategic material, and the Maritime Commission ordered two American boats in the Mediterranean to proceed to this city and pick up the cargo before the Mediterranean was closed to American ships. One vessel was short in its supply of oil, and arrangements had to be made through the State Department for the purchase of the needed oil

at Gibraltar. Half of the ore remained, and arrangements were made with the aid of the State Department to secure vessels to transport it to this country.

Industrial Production Division

The Industrial Production Division, headed by Mr. William S. Knudsen, formerly President of General Motors, is responsible for facilitating the production of airplanes, engines, munitions, trucks, tractors, ships, and other equipment required in the defense program. From June 6 to September 20, approximately six billion dollars of contracts were cleared. Initial negotiations are carried on by the purchasing divisions of the military services, under the direction of the Army and Navy Munitions Board, and contracts are brought to the Commissioner for clearance ordinarily after the signatures of the contracting parties have been secured. In the largest deals, however, the Division participates during the negotiating stage, particularly in those which involve government subsidy of plant expansion. For example, the negotiations with the Ford Company and later with the Packard Company for the production of 6,000 Rolls Royce engines for England and 3,000 for the United States were conducted by Mr. Knudsen.

This Division is organized in the following units: (1) aircraft and engines, (2) machine tools and heavy ordnance, (3) ammunition and light ordnance, (4) tanks, trucks, and tractors, (5) shipbuilding, (6) construction, (7) food and food products, and (8) miscellaneous equipment. In addition, other units provide staff services. The Division is staffed by some of the ablest industrial leaders of the country, serving without compensation. It contains about twenty-five executives, or about half the number of the Industrial Materials Division. The procedure which it follows is similar, though there is somewhat less need for surveys of industrial capacity at present, and the bottlenecks are usually well known without study. Wide use is being made of confer-

ences with the industries involved, at which detailed information concerning the requirements is given out to the principal producers, and arrangements are made to meet these requirements.

A great part of the work of the Division has been concerned with plant expansions to meet the increasing requirements of the armed forces. Contracts have been let for huge new plants for the manufacture of airplane engines, tanks, smokeless powder, TNT, ammonia, toluol, machine guns, and other munitions of war. Several of these plants will cost more than one hundred million dollars each. Other contracts provide for the expansion of existing plant facilities. The total amounts involved in the contracts are staggering. Within a single week following the enactment of the five billion dollar appropriation early in September, nearly four billion dollars of contracts were cleared, the bulk going for contracts for building the "two ocean navy." Contracts have been let for construction of immense smokeless powder plants, with individual capacities of 300,000 to 400,000 pounds per day, and work is already under way on two of these, while in 1917 it was not until seven months after we entered the war that the first contract for a powder plant was let.

The negotiation of contracts for plant expansion is the responsibility of the procurement agencies of the Army and Navy; the function of Mr. Knudsen and his staff is to examine and pass upon the contract ordinarily only after the negotiations have been completed and the contract signed. The Production Division is concerned with the terms of the contract, the method of financing, and the equity which the government and the owner or operator will have after a period of years. No uniform rule is followed. Plants which manufacture munitions exclusively, such as powder, machine guns, and tanks, are financed entirely by the government, which retains ownership, and contracts upon a fixed fee basis for their operation. Other plants which may be used for commercial purposes are constructed in

some instances by the owner upon his own responsibility, without any governmental subsidy or special arrangement. Manufacturers have insisted upon the rapid amortization for tax purposes of the costs of privately financed plants whose utility is confined to the manufacturing of armament, and which are expected to be of little value after a few years. Legislation permitting amortization within a five-year period, coupled with excess profits taxation, has been enacted by Congress.

In considering the policy provisions of negotiated contracts, as well as contracts for plant expansion, several divisions of the Commission are concerned. The Price Stabilization Division, the Labor Division, and the Coordinator of Purchases have been particularly active in working out policies and standard contract provisions.

Some criticisms have been voiced against the handling of the defense program on the grounds that it has not moved rapidly enough, that only a few combat planes have been contracted for, and that the rate of production has not been speeded up. There was some delay in letting airplane contracts, due largely to the delay in the passage of the tax amortization bill by Congress, and to the limiting of profits to 8 per cent, which caused some delays in the letting of sub-contracts. After some time the airplane manufacturers agreed to go ahead, taking their chances upon the enactment of satisfactory legislation. The real delay has come not in the letting of contracts, which has been done with all the speed which even the most zealous might desire, but in the time which is required to construct new plants, to secure and install the necessary tools and machines, and to start actual production. An airplane or motor plant takes nine to fourteen months to start production, a machine gun factory from eight to eleven months, and a powder plant from ten to twelve months. The machine tool industry is the bottleneck at the present time, and months will necessarily pass before there can be a marked rise in production. But the program is under

way, and, if we may judge by the experience of the last war, when production made possible by the present program really starts it will exceed all previous estimates. The program has had the direction of some of the ablest industrial leaders of the country, and has the unstinted support of industry and labor. It is, of course, too early to tell what the actual results will be, but the mistakes, confusion, and delays of the World War have to a large extent been avoided, and the resources of the country have been marshalled promptly, and with great skill and ability, for the task at hand.

Labor Division

The Labor Division, headed by Mr. Sidney Hillman, President of the Amalgamated Clothing Workers of America, is charged with study and consideration of the various problems of employment in the defense program. Under the Commissioner there are three units: (1) labor relations, (2) labor requirements and employment standards, and (3) labor supply. The labor relations section watches all industrial disputes which threaten to stop defense production. This section does not supersede the conciliation and mediation services of the Labor Department and other government agencies, but supplements their efforts where such assistance is needed. It has already been instrumental in the settlement of a considerable number of threatened strikes. In addition to the staff assigned to labor relations, the Commissioner has appointed a Labor Policy Advisory Committee, consisting of six members each from the American Federation of Labor and Congress of Industrial Organizations and four from the Railway Brotherhoods. This group meets frequently with the Commissioner to discuss labor problems.

The labor requirements and employment standards section studies the labor requirements of the defense program and analyzes the existing labor supply in terms of the particular skills and experience required. This section is headed by Dr. Isador

Lubin, chief of the U. S. Bureau of Labor Statistics, and utilizes the extensive reporting and statistical services of that Bureau. This section will also be concerned with the labor provisions written into negotiated contracts.

The labor supply section, headed by Dr. Floyd W. Reeves, Director of the National Youth Commission, is charged with the planning and coordination of the several training programs of the government designed to increase the supply of skilled workers needed in the defense industries. During the summer of 1940 more than one hundred thousand persons enrolled in the vocational courses offered throughout the country under a program sponsored jointly by the U. S. Office of Education and the Advisory Commission. The training program is being expanded as rapidly as facilities and available instructors will permit, with the joint cooperation of the Office of Education, the National Youth Administration, the Work Projects Administration, and the Civilian Conservation Corps. A supplementary appropriation of about one hundred million dollars has been made for the training program during the current fiscal year; part of the work will consist of postgraduate courses in engineering schools to equip graduate engineers for the special types of engineering required. A Coordinating Committee on Labor Supply, with representatives from ten governmental agencies concerned, has been set up.

A program undertaken by industry itself to train its own employees, in order to "upgrade" and to qualify them for more highly skilled positions, is under the leadership of several outstanding personnel men in industry. Mr. Owen D. Young is acting in an advisory capacity in this program. The men in charge have had extensive experience with training in their own industries, and are meeting with industrialists to discuss the various problems involved in such programs. Studies have been made of some of the most successful training programs, and arrangements have been made

for the loan of persons experienced in training to companies desiring their services.

At present there are no serious shortages of skilled workmen, except in a few occupations, but it is anticipated that there will be serious shortages when the defense program is in full swing unless a vigorous training program is instituted. Although there are thousands of skilled and semi-skilled workmen registered with the employment offices, many of them are inadequately trained, are poor workers, or have largely lost their skills through unemployment and the rapid changes in machinery and processes.

Price Stabilization Division

The Price Stabilization Division is headed by Mr. Leon Henderson, a member of the Securities and Exchange Commission, and an outstanding economist. It is charged with the study of prices and the recommendation of policies and procedures to prevent an unwarranted rise such as occurred in the last war. With the cooperation of the Bureau of Labor Statistics, the Division is following very closely trends in prices, and when they appear to be out of line, appropriate action is taken. For example, the Division recently held a conference with the paper and pulp industry concerning rising prices. Studies by the staff and by the Industrial Materials Division indicated no real danger of a shortage which would justify the mounting prices. The industry pledged its full cooperation to prevent runaway prices, and a statement was issued by Commissioner Henderson announcing the findings of the studies which had been conducted and the agreement of the industry to cooperate. Special studies are also being made of increases in the price of copper which do not appear to be warranted.

The Division is concerned with the economic and financial aspects of the defense program. It has taken the leadership in the development of policies with regard to the financing of plant expansions, the use of negotiated contracts and the incorpora-

tion of standard provisions designed to protect the government, tax legislation permitting rapid amortization of industrial expansion costs, antitrust actions, and similar subjects. On these subjects the Division has worked closely with the Production and Industrial Materials Divisions and the Coordinator of Purchases. Since it is not identified with industry, it has been able to work effectively in making the necessary studies and recommendations concerning legislation, policies, and procedures. The special role of the Division, in a sense, has been that of considering questions of costs in these matters, while the Production and Industrial Materials Divisions have been primarily concerned with speed of production.

Research studies are being conducted on a number of significant problems affecting prices, such as the financing of new plant facilities, capital markets and their role in emergency financing, priorities, economic organization and price controls in belligerent countries, cost accounting problems under existing legislation, and studies of particular commodities with attention to possible price increases. These studies are designed to prepare the Division to recommend policies and procedures which may become necessary to control prices and to prevent speculation. The major concern of the Division is that steps shall be taken promptly and vigorously to prevent any shortages which would lead to runaway prices. If the other divisions do their work well, thus assuring adequate supplies for both civilian and military needs, there will be little need for price controls. Accordingly, the major activity of the Division at present is to facilitate the work of other divisions in building up adequate supplies and providing needed industrial expansion, with particular attention to the economic, fiscal, and legal problems.

Transportation Division

The Transportation Division is headed by Mr. Ralph Budd, President of the Burlington Railroad, and an outstanding figure in

the railway industry. In the last war transportation was one of the most difficult problems in the mobilization of industry, but with the expansion of facilities since that time, particularly through the development of highways and the trucking industry, it does not appear that it will become a problem now. Indeed, there is a surplus of transportation facilities at present, and no general shortage is anticipated in the defense program as now contemplated. This does not mean that there are no transportation problems, or that there may not be particular shortages if the needs are not carefully studied in relation to the existing facilities. Mr. Budd has called upon the railroads to reduce the number of cars in bad order to 6 per cent, and to increase the total number of freight cars to 1,700,000 as against a total on June 1, 1940, of 1,645,000. He has appointed as consultants representatives from each of the principal forms of inland transportation, namely, lake transportation, bus, truck, short-line railroad, automobile, pipe line, barge, and airway. The Association of American Railroads is able to provide the Division with detailed information upon freight and passenger movement by the railroads, and to coordinate the activities of the railroads to handle the increased requirements. The other forms of domestic transportation are not so well organized. Special studies are being made of particular transportation problems as they arise.

Agriculture Division

Mr. Chester C. Davis, a member of the Federal Reserve Board and formerly Administrator of the Agricultural Adjustment Administration, is the head of the Agriculture Division. His assignment is to advise the President on all aspects of agriculture in relation to the defense program. This involves considerably more than merely the production of farm products; it includes study of the impact of the defense program upon agriculture and the utilization of the farm population in the program. The principal problem at present is what to do with

the large surpluses on hand, and one of the main activities of the Division has been to seek to reduce them. The Division has participated actively in negotiations for the exchange of agricultural supplies for rubber, tin, and other strategic war materials.

The Agriculture Division works in close cooperation with the Department of Agriculture, and has made arrangements whereby the research and scientific facilities of the Department are on call. The Division has set up staff sections as follows: economic analysis, foreign trade, food administration, rural labor and plant location, and program planning. With the assistance of the Department of Agriculture it is conducting studies of the probable effects of the present war upon agriculture in this country, the probable situation at the conclusion of the war, the effects of our defense program, the problems which would arise if we should enter the war, and the alternative steps which may become necessary to support farm prices.

Consumer Protection Division

The Consumer Protection Division is headed by Miss Harriet Elliot, Dean of Women of the University of North Carolina, who has been prominent in welfare and consumer movements. It is charged with the study of the defense program as it affects the consumer and with the coordination of government activities in the field of public welfare so far as they relate to the defense program. It was also charged with coordination of health activities in connection with defense, but it is presumed that this field is now taken over by a special committee set up for this purpose. The functions of the Division overlap those of the Price Stabilization Division, for prices are the most important concern of consumers. The following sections have been created within the Division: economic research, civic groups, business and consumer groups, and health and welfare. Under the last section, which is headed by Miss Gay Shepperson, an advisory committee has been set up, consisting of the following persons:

Thomas Parran, Director, U. S. Public Health Service

Katharine Lenroot, Director, Children's Bureau

Arthur Altmeyer, Chairman, Social Security Board

M. L. Wilson, Director of Extension Work, Department of Agriculture

The Division is undertaking studies of prices, priorities, labor costs, location of industry, and similar subjects. Conferences have been held with leaders of national civic organizations, national retailers organizations, and other groups interested in consumer problems. The Division also plans to aid citizen groups throughout the country in studying and participating in the defense program.

Bureau of Research and Statistics

The Bureau of Research and Statistics, which is under the direction of Mr. Stacy May, assistant director for the social sciences of the Rockefeller Foundation, is a service organization to the other divisions. It is equipped with a staff to make economic and other studies, and to marshal the information and resources available within the government. Most of the key personnel is on assignment from other economic and statistical units. The major assignment of the Bureau at present is to analyze the military material requirements for the use of the divisions concerned with procurement. The task is a difficult and important one.

The Bureau has established a statistical reporting system as a measuring stick for the whole defense program. It is conducting a wide variety of special studies at the request of the several divisions, and supplies spot information on call. Each of the divisions conducts a considerable amount of research, particularly studies which involve the assembly and utilization of readily available data, but turns to the Research and Statistics Bureau for assistance upon problems which it finds that it is not staffed to handle.

Coordinator of Housing

The Commission appointed Mr. Charles F. Palmer, of Atlanta, Ga., President of the National Association of Housing Officials, as Coordinator of National Defense Housing. It will be his duty to see that housing developments are undertaken to supply the needs wherever there is plant expansion or the prospect of a housing shortage incident to the defense program. Public housing projects, other than those conducted directly by the Army and Navy on government posts, will be cleared through the Housing Coordinator.

The housing of defense workers and their families is an acute problem. By the middle of August the reported need for family units was more than one hundred thousand. The procedure of the Division, operating under the supervision of the Advisory Commission, is first to ascertain the anticipated housing needs, utilizing information from all sources, such as reports from the military branches and local surveys; then to check these reported needs against the available supply, utilizing the services of the existing housing agencies of the government; and finally to prepare housing plans to take care of the needs. A primary responsibility of the Division is to determine whether the housing should be provided by private enterprise or by a public agency, and in the latter case to advise and assist in making the most suitable arrangements. A general policy of utilizing private capital for housing wherever practicable is being followed. It is the function of the Division particularly to channelize and coordinate the defense housing activities of the several government housing agencies in order to assure an integrated and effective program. Several divisions of the Advisory Commission are concerned with housing activities and all plans are cleared with them before final approval. The detailed plans, financing, construction, and management are, of course, the responsibility of the agency in charge of the housing project; the Defense Housing Coordinator renders any

necessary assistance and advice on such matters.

Division of State and Local Cooperation

National defense is essentially a national responsibility, and the conduct of the defense program will fall largely upon the federal government, both as to the armed forces and the marshalling of the industrial resources of the country. Despite this fact, there are many parts of the program which will require the united efforts of all levels of government. Under our federal system, many powers and responsibilities essential to an effective defense program are assigned to the states and local governments, and must be integrated into the defense program. Early this summer, when it became apparent that a large scale emergency defense program was imperative, many state governors organized state defense councils. Early in June a group of governors of the states, acting through the Council of State Governments, called upon the President and the National Defense Advisory Commission to offer the support and services of the state governments, to seek advice on what they could do to advance the program and what type of state emergency organization would be suitable, and to ask for any suggestions concerning how such an organization should operate and what functions it should perform.

After extended consultations with federal and state officials, a memorandum was prepared recommending that the Advisory Commission create a Division of State and Local Cooperation, outlining the functions which it should perform, and making suggestions for the type of state organization deemed suitable.¹ This Division was created by the Advisory Commission in August, and has been organized to operate as a two-way channel of information between the Advisory Commission and the state councils of defense. Mr. Frank Bane, executive di-

rector of the Council of State Governments, agreed to serve as director during the initial period. To keep the state defense councils informed of developments in the defense program, both in the federal government and within the states themselves, the Division is publishing a weekly bulletin, *Defense*. It is supplementing this bulletin by distributing special bulletins, by individual correspondence, and by supplying information on request to state officials. Most of the divisions of the Advisory Commission are engaged in activities which reach down to the states and communities, and the Division of State and Local Cooperation channels requests for the assistance of the state councils of defense in such matters.

Defense activities which utilize state and local agencies will flow in two channels: an action channel directly from the departments concerned to the corresponding departments of other levels of government, and a clearance and coordinating channel connecting the national, state, and local councils of defense.

More than thirty states have created councils of defense to date. These follow no uniform pattern. In the Division's memorandum it was suggested that the states should follow broadly the pattern of the national organization: that is, the governor should act as the chairman of the council of defense, which should consist of six or more persons each assigned to a specific field for investigation and coordination. The suggested assignments follow the general pattern of the membership of the National Defense Advisory Commission, but a new field of civil protection is suggested for assignment to one member, and price stabilization, which is looked upon as a federal responsibility, is omitted. The industrial materials and industrial production assignments are combined. It is suggested to the governor that he may wish to appoint an executive vice-chairman, but that the state defense council should be responsible directly to him, and its members should be

¹ Memorandum, State and Local Cooperation in National Defense, Aug. 2, 1940. Copies may be obtained from the Division of State and Local Cooperation.

his advisers and assistants for the effective planning and coordination of state defense activities. It is suggested that the state planning boards cooperate with the defense councils and be utilized for research studies.

One of the functions of the state defense councils will be to facilitate the work of local councils, when it becomes necessary or advisable that they be created. The Division suggested that the same general pattern of organization and procedure recommended to the states might be adopted, with variations to meet local requirements, by cities or counties setting up such agencies. State and local councils may also serve to guide and facilitate the activities of private organizations interested in defense.

Agencies Subordinate to the Council

FIVE additional agencies have been established independently of the Advisory Commission to operate as subordinate bodies of the Council of National Defense. Two at least of these, however, will work very closely with the Advisory Commission. These agencies are: the National Defense Research Committee, the Coordinator of National Defense Purchases, the Coordinator of Commercial and Cultural Relations among the American Republics, the Health and Medical Committee, and the Advisory Committee on Communications.

The National Defense Research Committee, which is headed by Dr. Vannevar Bush of the Carnegie Institution, consists of seven distinguished scientists. With an allocation of funds by the President it will carry on scientific investigations bearing upon military problems. These are of a confidential nature and no public announcement has been made concerning either the organization of the Committee or of the types of investigations being undertaken.

Mr. Nelson A. Rockefeller has been appointed to head the agency recently established to promote commercial and cultural relations among the American republics.

The Health and Medical Committee is

headed by Dr. Irvin Abell, and consists of the Surgeons General of the Army, Navy, and Public Health Service, and the chairman of the Division of Medical Science of the National Research Council. Its assignment is to advise on all health and medical aspects of the defense program, and to coordinate the activities of governmental agencies in this field.

The office of Coordinator of National Defense Purchases was set up on June 27 by executive order. Mr. Donald M. Nelson, formerly vice-president of Sears Roebuck and Company, who had recently come to Washington to head the Procurement Division of the Treasury, was appointed to the position. The actual purchasing will be left to other agencies, subject to his general direction. He is charged with the duties of bringing about efficiency and economy in purchasing, preventing competition among the several agencies, distributing the purchasing functions to those agencies best qualified to do the particular type of purchasing, keeping necessary current statistics on purchasing, improving specifications, estimating future requirements, and making recommendations of changes in existing laws and regulations. He works closely with the Joint Munitions Board of the Army and Navy, whose function it is to coordinate military purchasing and avoid inter-service competition. He is specifically directed to study the subject of priorities. A small office has been set up to study these and related problems, and a section has been established to provide information to manufacturers wishing to deal with the government.

Mr. Nelson attends the meetings of the Commission, and is regarded virtually as a member, but cannot be made one since the law limits the Commission to seven members. His office serves all members of the Commission, cooperating with them in studies of problems affecting procurement, and acting as a channel through which recommendations are transmitted to the procurement agencies and are followed up. He

also handles clearance of plant sites within the Commission and in many other respects is a key officer in the organization.

Other Emergency Agencies

WHILE no attempt will be made here to list all emergency agencies which have been created in connection with the defense program, it may be noted that the Reconstruction Finance Corporation, which is playing an extremely important role in the financing of industrial expansion and the building of stock piles of strategic materials, has created several government corporations, such as the Rubber Reserve Corporation and the Mineral Reserve Corporation. Other agencies which have been created include the Selective Service Administrator, the Director of Alien Registration under the Department of Justice, and the Administrator of Export Control.

III

WE MAY NOW examine the philosophy underlying the emergency organization for national defense, the broad policies which have been followed, and some of the issues which have been raised concerning the effectiveness and validity of the type of organization. The fundamental philosophy behind the organization is that it should make full use of the existing industrial and governmental establishments, thus avoiding the creation of new and competing agencies and disturbing present governmental and industrial structure as little as possible. The existing economy is called on to produce the goods needed for defense, operating under present organization and controls; and the existing governmental agencies are similarly utilized, supplemented by emergency organization wherever necessary for clearance, coordination, and the handling of activities not specifically assigned to existing agencies.

These emergency agencies are, in fact, the arms of the chief executive, assisting and advising him in planning, directing, and fa-

cilitating the program. Only one or two operating agencies, relatively small in size, have been set up for such special tasks as administration of the Selective Service and the Export Control acts. The other emergency agencies are not operating bodies, and have relatively small staffs. They are not endowed with governmental authority, except to the extent that several specific duties have been assigned them recently by Congress. They are staff agencies of a very special sort, and may be likened to industrial consultants attached to the office of the chief executive.

The most important direction given by the President to the advisers who head the emergency agencies is that they are not to take over administrative functions, but are to advise him and to facilitate the programs administered by others. The function of all of the emergency agencies, with few exceptions, is to investigate the problems of bottlenecks which may delay the defense program, to find a suitable solution to these problems, and to see to it that the necessary steps are taken.

THE policy of utilizing the existing agencies of the government wherever possible is at variance with the Industrial Mobilization Plan of the Army and Navy, which provided for new and independent agencies to take over the various civilian activities and controls necessary for the prosecution of war. Thus provision was made in the "M Day" plan for a War Resources Administration, a War Finance Administration, a War Trade Administration, a War Labor Administration, a Price Control Authority, a Public Relations Agency, and others. Most of these agencies were to be headed by single administrators. In the 1936 Industrial Mobilization Plan (pp. 13-14) the case for special organizations to administer these and related activities is stated as follows:

The size and the special and emergency nature of the task of coordinating American industrial effort demand a special organization to be made available

to the President promptly upon the outbreak of war. . . .

In the hands of a war-time President there is . . . a vast responsibility and corresponding authority. His personal leadership must make itself felt forcibly and instantaneously from the seat of the government in Washington to the remotest hamlet of the country. A smooth-working organization, specially designed for the unusual and emergency tasks that will develop, is essential.

The existing cabinet departments are not adaptable to the performance of these duties. Their functions are specifically defined by law and custom and do not include the activities which must be undertaken by governmental agencies of a super-control character during war periods. . . .

In general, existing departments are overburdened by their normal peacetime functions. Several of the more important departments exist to perform particular functions, both in peace and war. It would be unwise to superimpose emergency restrictive control measures over normal duties of service within such governmental agencies. The changes required in our institutions to make use of Cabinet departments as control organizations in war would be immensely greater than those necessary to establish temporary organizations specially for emergency control.

The controls and functions under discussion are not and should not be exercised in peace. The emergency organization would automatically terminate after the war. If these controls were exercised by a Cabinet department the tendency would be to retain such added war-emergency powers after the end of the war and thus establish permanently abnormal bureaucratic powers.

A further objection to the use of Cabinet departments for war control would be the difficulty of collecting all the scattered agencies and authorities into a focus and directing them toward the accomplishment of a definite purpose. . . .

Special agencies are shown for those activities which pertain strictly to the mobilization of resources for the prosecution of war. This policy is generally conceded as the most practicable one, especially from a political standpoint, since the agencies created thereby may be quickly demobilized and existing agencies may take up their normal peacetime functions with a minimum of delay and unhampered by extraneous powers and duties not appropriately a part of the normal Federal system.

The 1939 edition (p. 4) adds:

It is contemplated that such a set-up will be manned by qualified civilians chosen by the President. Appropriate representatives of the military services will advise and assist.

UNDER the Army and Navy Industrial Mobilization Plan a supergovernment, separate and distinct from the regular departments, and manned by businessmen drawn in for the purpose, aided by military personnel, would have charge of all administration affecting the conduct of war. (The proposed emergency units are referred to in the plan as "superagencies.") The regular departments would be superseded, though they might be given war administration assignments. The inevitable conflict between the regular and "super" war agencies operating in the same fields of agriculture, labor, commerce, natural resources, finance, health, welfare, transportation, and other fields is not given even passing attention. It should be noted that the plans contemplate a wartime situation and the exercise of stringent controls over economic life. Apparently the framers did not contemplate an emergency period short of actual war, and the possibility of a large-scale defense effort operated under the framework of existing controls over industry.

The arguments advanced for a special organization warrant consideration. The contention that a special organization should be used because it may be more speedily dismantled at the close of the war, and emergency controls more readily given up, than if the same functions are entrusted to existing departments, is not borne out by experience. Independent agencies once created in government have a tenacious hold on life, often long after the occasion of their independence has passed. Examples could be drawn from state and local government, as well as the federal government. It is much easier to dismantle a section in a large department, and to discontinue a function, perhaps shifting the personnel to other activities, than it is to abolish an independent agency and throw its employees out of work. It is widely believed now that the wartime controls were abandoned too hastily and that more attention should have been given to the transition and readjustment.

The argument that emergency agencies are more competent and better equipped to do the job, carrying out the program "forcibly and instantaneously . . . in the remotest hamlet" overlooks the enormity of the task of building hastily a nationwide organization for even the simplest and most easily administered tasks. The great merit of the policy of utilizing existing governmental agencies wherever possible is that these agencies are already staffed, and that many of them are nationwide organizations; they are going concerns, skilled in the problems with which they are dealing, and have established effective relations with considerable groups of citizens. To discard these experienced organizations and to attempt to set up new ones in the face of an emergency would be extremely unwise.

It is true that in the last war considerable use was made of emergency agencies to administer the wartime controls which became necessary. Many of these emergency controls, however, were administered by the regular departments of the government. The Secretary of Labor, for example, was the War Labor Administrator. And it must be recalled, as previously pointed out, that the federal government is much better equipped now by organization and legislation to carry out an emergency program. Those who advocate the use of special wartime organization do not reckon with the difficulties of securing the necessary legislation and the delays which are incident to Congressional action. There are governmental agencies operating in almost every phase of industrial regulation which would be involved in a war situation, with generally adequate legislative authority to exercise whatever controls may become necessary during war. It is assumed, of course, that existing authority would be exercised more fully during wartime than in peace. It may be worth while to recall, for example, that although the use of priorities was the major means of industrial control during the last war, there was no legislation authorizing priority control, except inci-

dent to other authority granted to the President and the executive departments. Most of the existing departments have not only their regular grants of authority, but also provisions for expanded authority in an emergency. It would be far easier to secure any necessary amendments extending or strengthening existing laws than to secure entirely new legislation. The existing laws have been subjected to interpretation by the courts, and to implementation by rulings and regulations by the administrative agencies. Their meaning and effect are well known, whereas there would be great confusion and inevitable delays if existing legislation were abandoned in favor of new emergency or wartime legislation.

Responsibility of the President

ANOTHER fundamental policy of the present emergency organization is to maintain the responsibility of the President as the head of the executive branch and the commander-in-chief of the military services, and to implement his office for the responsibility of direction and control of the whole national defense program. There are those who believe that this policy leads to unwise centralization of authority, and advocate instead the establishment of a war administrator who, though nominally under the President, would actually have charge of all aspects of the program and exercise powers even greater than those of the President himself. An experiment of this type was tried out under the ill-fated National Recovery Administration.

There are, moreover, fundamental reasons why it is imperative to center the responsibility for a defense program in the office of the President, and to build up an organization to aid him in discharging his responsibility. When the world is at peace we may tolerate and, under the declining philosophy that the least government is the best, even look with favor upon a weak and ineffectual governmental organization with divided authority and responsibility. This philosophy, which is giving way to an in-

creased recognition of the need for effective executive leadership, has no place when the future of the nation is at stake, and the task of the government is to preserve and defend our whole way of life. The present situation calls not for divided authority, but rather for a strong government, with strong leadership, and definite centralization of responsibility with authority adequate to that responsibility.

The direction of the national defense program cannot be taken away from the President under our Constitution, which makes him the single executive and commander-in-chief of the armed forces. Only the President can exercise central direction over a national defense program, which under modern conditions calls for the united efforts of the nation. Every agency of the government must play a role in that program, and only the President of the United States can focus, direct, and coordinate the entire executive branch in such an effort. National defense consists not merely in building up a large, well-equipped armed force, supported by an industrial economy able to provide the necessary machinery, munitions, and supplies; it requires the weaving of many strands of national policy into a consistent whole, including foreign relations, economic interests, domestic policies, and public morale as well as military preparation. No man other than the President of the United States can direct such a program. The problem of organization, accordingly, is not how to circumvent the office of the President, but rather how to staff and equip it to perform the tasks which must be united under it. It is important to staff the office so that the President personally need make not more decisions, but fewer, and still exercise direction and control over the major policies of administration. It is for this purpose that the emergency defense agencies have been created in the current situation, and that during the past few years the Executive Office of the President has been furnished with more adequate managerial agencies and staff.

Relationship with Departments

ANOTHER problem of administrative organization is the relationship between the emergency defense units and the regular executive departments. Several of the new units are charged with essentially new activities, which occasion few problems of adjustment with the regular departments. Among these units are the advisers on production, industrial materials, and price stabilization, and the National Defense Research Committee. Some other emergency units have assignments largely confined to planning and coordinating the defense activities of several separate and independent agencies in the field; among these units are the Coordinator of Defense Purchases, the Health and Medical Committee, the Coordinator of Defense Housing, and the Coordinator of Commercial and Cultural Relations among the American Republics.

Each of these agencies operates somewhat differently, exercising much or little central direction, as the situation requires. The peculiar function of the emergency units is to keep informed of developments in the defense program, to study its impact upon civilian life, and to make plans to meet the new problems, leaving the detailed operating plans and administration to the regular agencies. The performance of this task is essential to the prosecution of the defense program. Every agency which is called upon to aid in the program needs to be kept advised on what is expected of it, and to be permitted to participate in the shaping of the program. So long as the coordination exercised by the emergency agencies is confined to planning, and does not dip into administrative operations or interfere with administrative responsibility, it will be highly useful. If, however, it extends beyond planning to the determination of policies, or to control of administration, it will lead to confusion of responsibility and intolerable clashes and delays.

In one or two instances the assignments to emergency agencies parallel to a considerable degree the field of activity of an

existing governmental department. The Agriculture, Labor, and Consumer Protection Divisions are cases in point. The Secretary of Agriculture is the adviser to the President on agricultural policies, and some confusion is likely to result from the use of another person to advise him with regard to the agricultural aspects of the defense program. The Executive Order setting up the National Defense Advisory Commission provided for an "Adviser on Farm Products"—a more limited assignment. In practice, the Agricultural Adviser has confined his attention to problems closely relating to defense and has established close relations with the Department of Agriculture, keeping it in daily contact with national defense developments, and calling upon the Department constantly for assistance. The Agricultural Adviser and his staff are free of administrative responsibilities (except that Mr. Davis is also a member of the Board of Governors of the Federal Reserve System), and thus are able to devote their entire attention to investigation and study of the various aspects of the defense program as they affect agriculture.

The relationship between the Adviser on Labor ("Employment" in the Executive Order) and the Department of Labor is very similar. Very close and cordial relations obtain. The head of the Bureau of Labor Statistics is one of the chief assistants to the Labor Adviser. An emergency agency which includes in its name the magic word "defense" is able to bring together representatives of the principal labor organizations to consider labor policies relating to defense. The present organization is particularly effective in settling threatened disputes in defense industries, for if the regular mediation and arbitration agencies of the government are unable to cope with a dispute, the Labor Adviser and his assistants may work through either the national labor leaders or, if necessary, secure the intervention of industrialists on the Advisory Commission.

The training activities of the Labor Ad-

viser fall outside the Department of Labor for the most part and are concerned largely with the activities of the Office of Education, the National Youth Administration, the Civilian Conservation Corps, and the Bureau of Employment Security, all of which are within the Federal Security Agency. Here, too, very close and effective working relationships are obtained by the use of key personnel of these agencies on the staff of the training section.

The Consumer Protection Adviser was assigned by the President the task of studying problems of public health and welfare as related to defense, and of coordinating the activities of the governmental agencies within these fields. The welfare activities with which this Adviser deals fall largely under the Security Administrator, who also is charged with coordinating them. Other agencies concerned include the Farm Security Administration, the Veterans' Administration, the Children's Bureau, and the W.P.A. The assignment of the Consumer Adviser in the field is by no means clear, and has given rise to considerable confusion. The relations between the Consumer Adviser and the Security Administrator have not been close enough to enable the plan to work as effectively as desired. The present organization has not yet been able to meet the real need for some means to keep the several welfare agencies in touch with the defense program, to work out well-integrated welfare plans with regard to national defense, and to develop effective leadership in making such plans.

The Question of a Chairman

THE most popular criticism of the emergency defense organization has been directed at the lack of a chairman of the National Defense Advisory Commission. It is said that a chairman is needed to provide responsible leadership and that the President, amid all his duties, especially during a political campaign, cannot give the necessary time and attention to defense matters.

It has been noted, however, that the Secretary of the Commission acts in many respects as a chairman. He presides at the meetings, and on matters of coordination is the channel of communication between the members of the Commission and the President. He is able to settle many matters without reference to the President, thus expediting the work of the Commissioners. The members, however, besides meeting with the President each week as a group, are free to see the President individually at any time, and do so as occasion requires.

Those who have criticized the lack of a chairman for the Advisory Commission have apparently given little thought to the nature of its functions. The Commission is not an operating agency, charged with a particular function or activity, but is instead a staff agency to the President, charged with assistance and advice upon a range of subjects almost as broad as the whole range of functions of the government. The case for a chairman of a group of special consultants, each operating in a separate and distinct field, is quite different from that of a commission charged with the administration of a law. Since the Commission as such is vested with little administrative authority, it is not likely that a chairman could serve effectively as a link between the Commission and the President. Because the assignments of these individual advisers are so important and cover so wide a range of governmental activities, it is essential that they consult the President regarding their particular functions and have access to him if necessary regarding their major policies or their relations with the executive departments.

The appointment of a chairman of the Advisory Commission would in some respects facilitate the work of the members by providing a tighter organization and greater central clearance, but, on the other hand, it would cause the group to operate more as a board and would probably slow up the program. Persons who advocate a chairman sometimes cite the War Industries Board, of which Mr. Bernard Baruch

was the chairman after March, 1918. Mr. Baruch was not a chairman in the usual sense; his position was rather that of a director, with full authority to make final decisions, and the other members of the Board were subordinate to him. The other emergency agencies, which were numerous and important, reported directly to the President.

THERE has been a considerable amount of flexibility in the organization of the Advisory Commission, with a corresponding amount of duplication, looseness, and failure at times to get the necessary clearance. As time goes on, more orderly procedures will undoubtedly become necessary; it was not desirable at the beginning to stifle the energies of the divisions by too much central control, but it will be desirable in the near future for the President to give more clear-cut directions to each emergency unit. It is desirable for the Office of Emergency Management to be staffed more adequately, and for the Secretary of the Advisory Commission to undertake more detailed clearance of the actions of the several divisions.

If the emergency becomes more acute, and it is necessary to impose over our economic life controls such as existing agencies are not prepared to administer, it may be desirable to bring together into an organization similar to the War Industries Board the parts of the present organization dealing with industrial materials, production, and procurement. In a wartime situation, it would probably become necessary to establish in the Office of Emergency Management an over-all coordinator, directly under the President, to coordinate the work relating to industrial production and civilian efforts of both the present emergency agencies and the Departments of War and the Navy. It should be noted that the Coordinator of National Defense Purchases is already performing substantially this function, and serves to a large extent as the focal point of the emergency units. The change most likely to be made is to enlarge

the function of this office and to increase its authority, possibly locating it in the Office of Emergency Management directly under the President.

The present emergency organization has, on the whole, worked surprisingly well. It has brought many of the ablest citizens of the country to the service of the government in the tremendously important task of national defense. All of the advisers and their staffs have plunged in with great drive

and enthusiasm to expedite the defense program, bringing to it their wealth of special abilities and experience. They have performed their duties with devotion, imagination, and loyalty to the public interest. They have established effective and cordial relations with military and civilian departments and have enlisted the full support of private industry and labor. The defense program has been advanced very greatly by their effective work.

Emergency Aspects of Civil Service

By ARTHUR S. FLEMMING

United States Civil Service Commissioner

THE United States Civil Service Commission, as a result of the present national defense program, is faced with the heaviest work load in its history.¹

Many citizens are unaware of the close relationship between the activities of the Civil Service Commission and the success of the defense program. They overlook two facts, namely, (a) that the War and Navy Departments alone have at the present time approximately 240,000 civilian employees and that this number will be increased by close to 200,000 during the next six to nine months, and (b) that virtually all of these employees have been or will be recruited by the United States Civil Service Commission.

Undoubtedly, most persons who believe that the Civil Service Commission is not directly related to the defense program assume that at a time such as this provision would be made for recruiting civilian personnel for the defense agencies outside the civil service framework, even though in normal times the civil service machinery might be utilized. Fortunately, however, the United States government is determined to utilize the Commission as the nation's central recruiting agency for the entire defense program.

For example, the Congress of the United States has passed a number of very important bills in the interest of expediting the defense program, and it has appropriated large sums of money for this program. With certain minor exceptions this legislation contains no exemptions from civil service, and the Commission has been given assurance

from the defense agency involved that the exemptions will not be used.

In addition to the Congress, the White House has also given every indication that it is determined to have the Civil Service Commission function as the central recruiting agency for the defense program. Through the President's liaison officer for personnel management, William H. McReynolds, important assignments in connection with the nation's over-all recruiting problems have been given to the Commission.

Defense Agencies and the C. S. C.

BUT in addition to the Congress and the White House, the defense agencies themselves want the Civil Service Commission to do the selection job for them. For example, the Acting Secretary of the Navy in transmitting an estimate of the personnel needs of the Navy Department for the next few months stated:

In furnishing the information to the agencies indicated, it has been emphasized that all civilian employees under the naval establishment of the categories listed in the enclosed tabulation are obtained through the Civil Service Commission and the respective local labor boards. It is the intention of the Navy Department to continue this highly desirable practice.

Finally, the Commission has been provided with the necessary funds and personnel to handle its important responsibilities in an effective manner. Within the past few weeks the Commission has added to its staff more than two thousand employees.

The staff of the Civil Service Commission cannot face the implications of these deci-

¹ This article represents the situation as of August 10, 1940.

sions by the Congress, the White House, and the defense agencies without appreciating that they involve not only the handling of a heavy work load but that they also present an exceptional opportunity for constructive service to the nation in a critical period. It is in this spirit that the staff has approached its responsibilities during the past few months.

Before examining some of the specific plans which have been developed by the Commission's staff, it is important to realize that the Commission is operating in terms of a program not suddenly conceived but one reaching as far back as the first World War. The government operated throughout the World War period without narrowing the area then covered by the merit system. During the fiscal year that represented the peak of this war period, the Civil Service Commission was responsible for placing in the federal service 220,000 civilian personnel. At that time about 30,000 placements a year were made in normal periods.

The Commission today has the benefit of the judgment of a number of persons who served during that difficult period. Their experiences are invaluable as their associates face the problems of today. In addition, however, it is important to realize that the plans which are now in operation were in many instances worked out in detail in the summer of 1939 when the Commission's present staff foresaw the possibility that it would be confronted with the kind of problems that it now faces.

In considering the Commission's present program, it is also important to note that to a very considerable extent it is the product of the combined thinking of the Commission's staff at the various supervisory levels. For almost a year the division chiefs and the Commissioners have been meeting on Monday evenings for the purpose (a) of analyzing the Commission's organizational structure, (b) of agreeing upon objectives for the Commission's various activities, and (c) of determining whether or not it is possible to strengthen the organizational structure and

improve the procedures and methods of operation in the interest of closing the gap between present performance and the objectives agreed upon by the group. Similar conferences have been held by division chiefs with those who report directly to them.

Soon after the Congress began to appropriate large sums of money for the defense program, it was decided to utilize these conferences for the purpose of agreeing upon objectives that the Commission must attain if it is to discharge its responsibilities in connection with the defense program. Once these objectives are agreed upon by the Commissioners and division chiefs, they are examined further in conferences at other supervisory levels and are applied to the day-by-day operations of the Commission's various units.

Agreed Objectives

SOME of these objectives worked out by the division chiefs and the Commissioners together will be set forth in the remainder of this article, and under each objective an indication will be given of the program which has been put into operation in the interest of reaching it. The statement of each objective is presented just as it was developed by the conference group.

1. *To furnish all civilian personnel requested by national defense agencies for entrance on duty at the time needed as indicated by the agency.*

This objective might be stated more briefly by saying simply that the Commission is determined to meet the deadlines set by the national defense agencies. No effort is being made by the Commission's staff to substitute its judgment for that of the defense agencies as to when and where they need civilian personnel. The requests from the defense agencies are regarded as instructions, and everyone operates accordingly.

This, of course, means that very often procedures and methods of operation which would be followed under normal conditions are eliminated. It also means that there

has been a very extensive delegation of responsibility to division chiefs, to the thirteen district managers, and to the more than one hundred local rating boards. At the present time no organization faced with such responsibilities as those of the Commission can possibly discharge them effectively and expeditiously unless it has confidence enough in its principal officers to specify that they are authorized to act in the name of the Commission. This attitude is reflected in the following extract from a communication addressed by the three Commissioners to all of the employees of the Commission:

Persons charged with the responsibility of making initial decisions must make them, and we cannot afford to indulge in the delays incident to having these decisions reviewed by a large number of persons.

Specific steps which have been taken to fulfill this first objective include the following:

a) All units of the Commission's organization are under instruction to place national defense cases ahead of all other cases, and wherever it is possible to handle particular cases within twenty-four hours.

b) The Commission has stationed classification investigators in the personnel divisions of a number of the defense agencies where they are authorized to take immediate action in a large number of cases.

c) After a register is established, the Commission permits the retention in national defense positions of temporary employees appointed pending the establishment of that register, where it is shown that they have attained eligibility in the examination but are not high enough on the list to be regularly certified. Such persons, of course, will not attain a classified civil service status unless their names are reached during the life of the register.

d) Persons on all registers which are or may be used by the defense agencies are being circularized to ascertain their availability.

e) Open continuous examinations have

been announced for a number of positions which are important in connection with the defense program and for which it is difficult to obtain a sufficient number of eligibles. This plan means that persons can file applications for these positions and in many instances receive a grade, be placed on the register, and be certified all in the same day.

f) By cooperation between some of the defense agencies and the Commission, personnel transactions involving field operations which heretofore have been handled in the central offices of the agencies and the Commission have been placed in the hands of the field representatives of both the agencies and the Commission. As far as the navy yards and army arsenals are concerned, this means, in a great many instances, that matters formerly passed on in Washington are now decided at the navy yard or at the arsenal as the case may be. Oftentimes this procedure means the elimination of from seven to eight time-consuming steps, and the handling of matters in a few hours which ordinarily might have taken from ten days to two weeks.

g) A plan has been put into operation in connection with recruiting for defense positions in local areas which is designed to eliminate the necessity of examining, for example, 10,000 papers for the purpose of making 100 appointments. Under this plan, in occupational areas where the supply of personnel is far greater than the demand, district managers are authorized to issue announcements indicating that any person who is desirous of being considered for appointment in one of these occupational areas may indicate that interest by writing to the district manager or the local rating board. His name is then placed on file along with all others interested in being considered for positions in these areas.

Whenever it is necessary to establish a new list of eligibles, the Commission's representatives will determine how many persons need to be examined in order to take care of the needs of the service over a given period of time. Application blanks will

then be sent to as many persons as need to be examined in the order in which they indicated to the Commission their interest in work in this field. If it is determined, for example, that a thousand persons need to be examined, the first thousand who indicated their interest will receive application blanks, together with all other persons who filed on the day that the one thousandth request was received. The persons who file these applications will then be examined and the register established.

2. *To keep in constant touch with national defense agencies so that plans for meeting personnel needs can be promptly formulated and executed.*

This is clearly one of the most important aspects of the Commission's operations at this particular time. In order to implement this objective in its central office in Washington, the Commission has appointed a group of its outstanding staff members as liaison representatives, each one of whom has been assigned to a defense agency or to a portion of a defense agency.

In conformity with its general policy, the Commission has delegated to these liaison representatives full responsibility for meeting the various situations which arise. They are charged with the responsibility of saturating themselves with the operating needs of the agencies to which they are assigned and of seeing to it that their personnel needs are met by the Commission without delay. Wherever they can be of assistance in helping to expedite the handling of personnel transactions within the agency itself, they do so, and after these matters are turned over to the Commission the liaison representative continues to act until the needed personnel is on the job.

In the field, this same policy is pursued by providing the Commission's district managers with personnel which in many instances is domiciled at the Navy Department and War Department establishments, with full authority to handle the personnel problems of these establishments.

The development of these procedures makes it possible for the Commission and the defense agencies to work hand in hand on a common problem. Furthermore, it serves to keep the operating agency in close touch with the Commission and places at its disposal all of the Commission's resources and facilities.

3. *To undertake an intensive program of positive recruitment to meet existing or prospective shortages of qualified eligibles for various positions in the defense agencies.*

A large proportion of the Commission's time and thought is being given to the attainment of this objective. One outgrowth of efforts to meet this objective is a project which within a few months will result in the establishment of an interdepartmental placement service. The Commission has recently sent to the heads of all departments and independent establishments the necessary forms for securing the educational and experience background of every employee in the federal service. The information obtained from these forms will be coded and placed on punch cards.

This qualifications file will enable the Commission to locate, for example, persons who may now be in comparatively unimportant positions but who have the qualifications necessary for handling important assignments not only in connection with the activities of defense agencies, but also with those of other federal departments. Unquestionably, when this service is in operation, it will make it unnecessary in many instances for the government to engage in an expensive nation-wide recruiting program to find one or two persons for particular positions when qualified persons are already in the federal service.

Another outgrowth of the Commission's effort to meet this objective is a cooperative project which it is carrying on with the National Resources Planning Board. This project is designed to bring about the establishment of a national roster of scientific

and specialized personnel. Essentially the same procedure will be followed as in the establishment of the interdepartmental placement service. Natural and social scientists throughout the country will be asked to provide the government with the information necessary to determine their qualifications for particular types of work and their availability for service. The experience and background of these scientists will be evaluated by outstanding consultants in the various fields. The project is being supervised by an advisory committee appointed by the National Resources Planning Board and the Civil Service Commission, of which Dr. Leonard Carmichael, the president of Tufts College, is chairman.

In addition to these two projects, the Commission is utilizing nation-wide broadcasting facilities, newspapers, moving pictures, magazines, and other channels of communication for the purpose of calling the needs of the defense agencies to the attention of all persons who are qualified for particular lines of work.

The Commission has been greatly aided in its efforts to recruit the necessary personnel by the Bureau of Employment Security of the Social Security Board, which has the responsibility for the over-all administration of the United States Employment Service. This Service regards the United States Civil Service Commission as its No. 1 client in view of the magnitude of the recruiting job which the Commission has on its hands. The administrators and staff members of this Service are doing an excellent job for the Commission.

4. *To suggest, encourage, and assist in programs for developing qualified personnel and sources of qualified personnel.*

The first reading of this objective might suggest that it duplicates, at least to a certain extent, the previous one. Actually, however, in developing this particular objective the Commissioners and the division chiefs had in mind the desirability and the necessity in certain occupational areas of supple-

menting positive recruiting programs with training programs designed to provide the defense agencies with the personnel which they will need in the future. In other words, this objective grows out of a conviction that the program in which the country is engaged at the present time must be viewed in its long-term as well as its short-term aspects.

Immediately after Congress began to give consideration to the rapid expansion of the defense program, the Civil Service Commission undertook a survey designed to provide it with the following information:

- a) As accurate an analysis as possible of the needs of the defense agencies;
- b) As much factual data as possible on the question whether the federal government would find it difficult to recruit a sufficient number of qualified persons in various occupational areas;
- c) A statement of the in-service training programs which are already under way in the defense agencies in the interest of providing qualified personnel for the future.

As soon as this information has been brought together, it will be considered by the various defense agencies for the purpose of determining whether or not they should introduce new training programs or enlarge their existing programs. These matters will be considered, of course, in the light of similar data brought together by the Advisory Commission to the Council on National Defense through the office of Mr. Sidney Hillman, and any program which is developed by the defense agencies and the Commission will be closely integrated with programs which are worked out by other agencies of the federal government for private industry.

5. *To insure that all persons who are appointed as a result of the activities of the Civil Service Commission are of good character, loyal to the United States, and otherwise suitable.*

The Civil Service Commission has had for a good many years a small but effective force of investigators. Some indication of

the caliber of the men who have worked on this phase of the Commission's operations may be obtained from the fact that virtually all of the present district managers, and many of the Commission's administrative personnel in the central office, were at one time engaged in this work.

As soon as it became apparent, however, that this country must give careful consideration to possible "enemies within" in connection with its national defense program, the Commission began to enlarge its force of investigators from approximately eighty to approximately two hundred persons.

One of the Commission's staff who has been engaged in investigative work for approximately ten years was placed in immediate charge of all field investigators, and another member of the staff with similar experience was appointed as field training supervisor. In addition, through the courtesy of the Treasury Department, the official who has been responsible for training all the investigators associated with the Treasury's various investigating units was temporarily transferred to the Commission for the purpose of assisting in the training of approximately 120 recruits.

The new investigators have all passed through an intensive training period in Washington and have been assigned to the field, where they are beginning their work under the supervision of senior investigators attached to each district office.

Through this investigating force, and with the cooperation of the Federal Bureau of Investigation and the Treasury Department, the Commission will ensure that persons appointed to positions in defense agencies conform to the standard set forth in this objective.

6. *To keep politics out of defense so as to enable national defense agencies to devote undivided energies to the work of the defense program.*

The desirability of keeping politics out of defense does not need to be argued. As long as the government continues its

present policy of utilizing the Civil Service Commission as the central recruiting agency, the country can be assured that politics will not play a part so far as the recruitment, examination, and certification of personnel is concerned.

Additional Authority

AS THE Civil Service Commission has sought to operate in terms of the objectives which have just been outlined, it has found it necessary from time to time to request additional authority from the President of the United States. Up to the time this article was written, four Executive Orders had been issued for this purpose by the President.

Executive Order No. 8257 of September 21, 1939, permits the Commission to make immediate appointments to defense positions without regard to the competitive requirements of the Civil Service Law and Rules. This Order is similar to the Order which was issued by President Wilson in 1917.

Executive Order No. 8423 of May 28, 1940, permits the Commission to sustain objections to eligibles which, prior to its issuance, could not be sustained.

Executive Order No. 8424 of May 28, 1940, permits appointment under Schedule A (that is, without examination) of any person employed in a foreign country, or in the Virgin Islands, or in Puerto Rico, when public exigency warrants, or in any island possession of the United States in the Pacific Ocean (except the Hawaiian Islands), or United States citizens employed in the Philippine Islands, when, in the opinion of the Civil Service Commission, it is not practicable to treat the position as in the competitive classified service.

Executive Order No. 8425 of May 29, 1940, amends section 1(a) of Civil Service Rule IX so that the time limit may be waived in the case of qualified persons with a classified status with less than five years of service, to permit their reinstatement to positions in federal agencies concerned with

preparedness and the national defense program.

In the annual report of the United States Civil Service Commission for the fiscal year ending June 30, 1939, the present Commissioners stated:

No nation faced with the necessity of engaging in a preparedness program can afford to give primary consideration to the construction of equipment and secondary consideration to the recruitment of the civilian personnel upon whose shoulders rests the responsibility for the success or failure of many aspects of such a program. This can be avoided as far as the United States is concerned by cooperative planning on the part of the Commission and the operating agencies concerned and by providing the Commission with adequate funds.

In another part of the same report, the Commissioners stated:

A central personnel agency with close to 60 years of experience and with an organization which reaches into virtually every community in the country can, if it is provided with adequate resources, recruit with far more speed than a dozen or more competing recruiting agencies.

As the record stands, it can be said that the federal government is not giving secondary consideration to the recruitment of civilian personnel. It is giving this matter the attention which it deserves. It can also be stated that the finest kind of cooperative relationships exist between the Civil Service Commission and the defense agencies. Up to the present time, the Commission has been provided with adequate funds.

As a result of this healthy state of affairs, the United States Civil Service Commission is demonstrating that it not only can recruit with "far more speed than a dozen or more competing recruiting agencies," but that it can recruit with sufficient speed to meet the deadlines which are established by the defense agencies.

Every member of the Commission's staff is determined to demonstrate to the American people that a merit system can work in times of stress. Democratic institutions are being subjected to a terrific test. We are confident that that test, as far as the merit system is concerned, will be met and passed successfully. In other words, we are confident that the agencies entrusted with the national defense will obtain the personnel which they need at the time specified, and that it will be the best qualified personnel available.

It is difficult to portray the spirit which is back of everything that the Commission is doing these days. No one who is in close touch with day-by-day operations can fail to be impressed with the desire and the willingness of the career staff to cut anything that resembles red tape in the interest of speed, to devise with remarkable ingenuity new methods for dealing with critical situations, and, finally, to exert every bit of energy in order to achieve the objectives which they have set and which they realize must be achieved.

Implementing the General Interest

By R. G. TUGWELL

Chairman, New York City Planning Commission

I

GOVERNMENT in the City of New York is to be looked at, perhaps, as a special case: sheer size and spread, remainders of local autonomy in the various boroughs, a tradition of uncontrolled speculation in land, the existence of large adjacent metropolitan areas under other administrations, fantastic overzoning for business and high-density residential uses, a decaying center and a growing periphery—all these are at least unique in scale. But perhaps the uniqueness is more a matter of size, after all, than anything else. For even casual observation is sufficient to show, for instance, that Los Angeles has a wider spread, San Francisco a comparable problem of competing municipalities, Detroit as serious a speculative situation, Buffalo an equally decayed center, and so on. New York may, in fact, not be so special a case as would at first appear, and an account of the building into the governmental structure of a planning agency may therefore have relevancy for other municipalities. The history of that agency's operations is necessarily short; yet it offers some interesting illustrations of the failures and successes to be expected from any such organization.¹

The present charter for the city went into effect January 1, 1938. It was one result of the whole revulsion from unusually bad government in the period which followed

the mayoralty of John Purroy Mitchel. Cities seem to have a kind of rhythm of corruption and reform, each succeeding—because it grows out of—the other. The charter of 1938 came into being in this usual way, as an incident of reform. It had this unusual interest, however, that it furthered certain trends of more than local or temporary significance. And to the student who examines the precedent data it seems almost as though these were instinctive rather than rational. There is no doubt that most of those who were concerned in furnishing the city government with a planning commission meant to be conservative rather than radical. But there also is no doubt that they somehow lent themselves to a shift in power which would afterward be resented.

This account will be confined to the planning provided for in that charter. There are other novelties such as the virtual disappearance of the legislative branch and the enlargement of the executive. But that trend has been going on in New York for a long time and the most recent change merely furthered it. The setting up of a planning body with the powers of the present Commission was a novelty for which no precedent had prepared the way. It is true that New York had been a center of planning research and that such an agency seemed to lend itself very well to the perennial desire for a government of laws rather than of men which should under all circumstances be incorruptible. But many officials do not seem to have been ready for the interferences it implied. Difficulties arising from that source would manifest themselves most conspicu-

¹ It was, of course, preceded by the Regional Plan Association, which prepared a virtual master plan for the region and carried on propaganda work from 1929 on. This Association had been preceded by a Committee formed in 1921 of which first Mr. C. D. Norton and then Mr. F. A. Delano was chairman.

ously in appropriations for its work which were entirely inadequate, in consistent opposition to planning proposals, and in other ways. Yet indifference, even hostility, would not prevent it from assuming at least a certain significance in the city's life. Whatever there might be of this would result from its sheer appropriateness to modern city government rather than friendliness on the part of anyone.

II

NONE of the classic branches of government has proved amenable to the need for a program based on public rather than on private objectives and which is also a commitment to positive and persistent action. It would be too much to say that the Planning Commission achieves that result. But that is its business; and it moves in that direction. It is apparent, both from the good words which were said for it, and from the distrust which was expressed prior to its establishment, that this was expected to result. And that expectation has been, in a measure, met. Most of the borough presidents opposed it then, and they still oppose it: they represent a local rather than a general interest and the Commission is by its nature committed to guidance by city-wide criteria. In the sense in which its sponsors meant it to be regarded as advisory, it has been something else; at least its advice has seldom seemed welcome in the area where its powers were brought to bear. Its usefulness in this way has come from its persistent opposition to the encroachment of private interests which local politicians often feel it desirable to champion.

This implementing, for once, of a general interest rather than of special interests is the most significant feature of the Commission's activity. Its accomplishment was provided for by furnishing it with several instruments, none of which was new, but each of which was, for the first time, brought together with the others under one agency: the master plan, the capital budget, zoning regulation, the making and custody of the

city map, and control over realty subdivisions.¹

The master plan was generally defined not as anything physical or visual like a map but as a scheme which included the forecast of adequate facilities for "the improvement of the city and its future growth and development: . . . housing, transportation, distribution, comfort, convenience, health and welfare." This was as wide a frame of reference as could well be imagined.

It was expected that this plan would be a changing and developing intimation of the shape of things to come, yet one which would have an influence on day-to-day affairs which would have to be respected. For the Commission was to make this master plan and to act as its custodian; and no project anywhere in the city which touched any of these interests could be initiated without an inspection by the Commission and a report concerning the plan. Furthermore, the Board of Estimate could reject the Commission's view of this relationship only by a three-fourths vote² and such issues were not to be referred to the Common Council at all.

The task of making this master plan was, to take the charter literally, one of unprecedented magnitude. It obviously required the services of experts in a dozen different technical fields, together with a large service staff to carry out the duty of comparing current projects with the plan. There was also the fact that the plan would represent serious modifications—so serious, perhaps, as to amount to complete recasting—of the programs of the various departments.

¹To which might be added the review of assessable improvements for their accord with the master plan, though this to be effective would need to be supplemented by a budgetary control which is now lacking.

²The Board of Estimate, without being designated as the city's "legislative body," nevertheless possesses most of the legislative powers. It is made up of the Mayor (3 votes), the comptroller (3 votes), the president of the council (3 votes), and the presidents of the five boroughs (1 vote each, except Manhattan and Brooklyn, 2 votes each). It is thus a mixed legislative and executive body. The council, now elected by proportional representation, has far fewer powers and duties than the usual "lower house."

For up to that time what planning had been done in the city had been done departmentally. These departmental plans were remarkable in their comprehensiveness, but they often had a very tenuous relationship with other city facilities and none at all with financial possibilities or with population expectancy. With respect to all the hundreds of services and facilities the modern city provides for its citizens, a whole series of master plans existed in the minds of departmental heads and in the files of their subordinates. Their accomplishment was determined by such factors as the political astuteness, public appeal, or administrative ability of the department heads, by the activities of pressure groups which they might build up, or by similar irrelevant uses of power.

The city might in this way be committed to capital expenditures which would prevent more necessary facilities from being built and to burdens on the expense budget which would exclude other expenditures. For, in New York State at least, city budgets have a more delicate balance than is usually appreciated. Income is not expansible beyond a point allowed in the constitution, and unbalance is not available even as a temporary resource.

It was evidently conceived, perhaps only vaguely, that a city, no less than a person, has a *Gestalt*, a behavior pattern which is distinct from (and not to be understood by any study of) its parts. This configuration, this city-in-being, is more than a system of streets, sewers, water pipes, schools, hospitals, and the like; it is more even than these taken together with houses, transit lines, and places of work and recreation. It is, in one sense, the life, the spirit, the whole which is quite apart from all the elements which analysis would reveal: it is something like an individual's character which is not to be understood by description of his bodily members. Indeed the analytical method is one which yields few necessary results for a planner. He has to use an entirely different one which attempts

to grasp the whole before it considers the parts, since these have only a derived, a contributory significance and none taken alone.

There is nothing esoteric about such an approach. It is merely more realistic, though in an age devoted to the analytical method it may not at first seem so. Beginning with the axiom that all social arrangements are man made, it follows that they may be made, within the resources at disposal, in conformance with an objective. If this objective is broadly defined as an ideal urban life, then that in turn may be broken down into suitable allocations for homes, sanitary and health facilities, recreative and work arrangements, means for transportation, and the like. And each falls into a relationship with the others which is not too difficult to determine by careful judgment. But, by beginning at the other end and describing each part separately, and even finally adding all together, something lifeless and strange would result. In the language of natural science this difference is recognized in two terms: "additive" and "emergent." The additive is a mechanical concept in which the whole is merely the sum of parts; but the emergent is something more, as water, to use a possibly oversimple illustration, is more than hydrogen and oxygen, or as a child is more than "saltiness mixed with dust." The city is an emergent, to be understood only in terms of its behavior—more than brick, steel, lights, and steam, more even than its homes and commerce. Yet those things are necessary to it in suitable proportion—a proportion determined, however, by their relative necessity to the whole. It is this whole, this emergent, this relative and conjunctural interest which, it seems, the Planning Commission was intended to represent.

The master plan contemplated under New York's new charter would be constructed with all this in mind, but also with a view to keeping its cost within the city's ability to pay. It was not to be merely a fanciful picture, but rather the design for a city which could actually be brought into

being. The limitations were not imagined ones; nor were they even largely physical, such as engineers could surmount; they were mostly economic. It was necessary to know what the population would be in the future, how it could best be distributed, what kind of activities it would be carrying on, how much recreation—and of what sorts—it would need, what program for health protection would be required, how people would prefer to live, how they would move about, and so on. There were numerous technical questions whose answers were precedent even to preliminary work.

In the plans which existed in the departmental offices these questions had either been ignored or had been guessed at with bias. To substitute its own work for that of the departments, the Commission would need a public trust and confidence which could only come from belief that its work was expert—more so than that of any department. And the risk was that once the administrators smelled the limitations implicit in central planning they would begin a campaign of belittlement, even, if possible, of ridicule, which might end the Commission's existence before it was well begun. It was vital, for this reason, on the one hand, to engage well-known, even famous planners and experts, and, on the other, to keep natural enemies in check by appeasement, and by mayoral discipline.

For neither of these necessary measures was there any provision in the charter. Beyond the salaries of the Commission there was no fiscal protection; and it was apparently overlooked that in setting up central planning in the City of New York, a challenge was being issued to enemies who had repeatedly served notice of hostility, and who had the disposal of funds for personnel. Why the charter writers thought that the expert service they had made imperative would be consented to by those who were—and would remain—actively opposed to the Commission and its work is not apparent. There was the further point in this connection, also, that the Mayor would be unlikely

to sympathize with the setting up of any such staff as would be required for a first-rate job. He had to recognize influences which would lead in the other direction: persistent requests for enlargement of departmental budgets which were supported by pressure groups, and demands for economy from highly vocal taxpayers' groups. It was likely from the first that the Planning Commission would be expected to perform a miracle in producing its master plan; that it would get little sympathy from any source for delays, defects, or enmities; that, indeed, there would be many who had been instrumental in reducing its competence who would be the first to point out its shortcomings, with loud demands for its suppression.

III

THE situation with respect to zoning was different, but in effect came to the same thing. For, although New York's was the oldest comprehensive zoning ordinance in the country, it had been amended so little since its first adoption that it was almost worse than none at all. In putting it into the hands of the Commission, the charter makers were imposing a serious task of modernization rather than furnishing an instrument of control. In the first place, the compromises necessary to secure its passage in 1916 had been so serious that it had exercised none of the controls necessary to securing reduction in density or segregation of industrial and business areas. Actually, the multiple dwellings law which was intended to reduce the worst abuses of slum housing was more restrictive than the zoning in most areas within which characteristic New York apartments had been built. The results were to be seen not only in the areas of low-rent housing, but elsewhere as well. Such limited dividend projects as Knickerbocker Village on the lower East Side actually had a much higher density than the slums they replaced. The only superiority was their newness. Also, some of the new projects of the Housing Authority were being planned at densi-

ties averaging two-and-a-half times those which had prevailed in the areas for which they were being substituted. These occurrences could hardly be objected to so long as it could be said that they met the zoning requirements of the city, and, of course, such crowding contributed to a reduction in costs. A good showing of economy by the Authority was thus gained at the expense of space, light, and air for tenants—a way of putting it which is perhaps unfair, since the primary fault lay in overgenerous zoning allowances. That this is so is indicated by the fact that the expensive Park Avenue district was even worse.

There was, on the whole, no dissent from the necessity for zoning reforms, such as the reduction of density, the contraction of business areas, and the like, so long as these proposals were made in general terms. No one of experience, however, had the least doubt that when the proposals were particularized and brought into focus as limitations on the freedom of certain property owners there would be strenuous opposition. The property owners who objected to such limitations were always in a strategic position. A great part of municipal revenues came from property taxes, a fact which led to the formation of taxpayers' associations with salaried secretaries whose business it was to guard realty interests from all real or imagined dangers—and even to invent them when real ones were lacking. They not only cultivated close contact with officials, but, through their advertising, disposed the avenues of opinion in their favor. The whole arrangement was one in which an injured private interest was likely to prevail over a public one, especially since the private interest was immediate and real and the public one could be made to seem merely theoretical and its advocates somewhat fanciful.

Then, too, for what needed to be done if zoning was to be an effective part of a planning program for the city, an ordinance which went back more than two decades was bound to be technically inadequate. The New York statute had too few zone dif-

ferentials and was too rigid in its application; it had no provision for extinguishing nonconforming uses. It was clear that some means would need to be found for providing easier variances and for controlling certain obnoxious uses. Another need was for loosening the restrictions on parking lots and garages, even making them compulsory, so that vehicles might be got off the streets. Regulations formerly necessary to guard against explosion, fire, and the like, were now obsolete and required revision.

No one familiar with New York's situation needed to be told that all these steps were necessary. The fact was elementary. And this modernization weighed upon the Commission as a duty, since in the charter it was specified that zoning regulations should be written by the Commission and transmitted to the Board of Estimate for consideration, where they might lie upon the table no more than thirty days; they would at the end of that time become law unless modified or rejected by a three-fourths vote.¹

It was obviously felt by the framers of the charter that this kind of weighting for the Commission's advice would result in most of its actions' becoming law without much change, and at the same time would relieve the Board of Estimate of having to pass upon items of a routine character. It was anticipated that the Commission would have an expert staff, that its hearings would be public and complete, and that its actions would command such public confidence that most of them would pass into statute without Board of Estimate action. Such a forecast may seem strange in view of the make-up of the Board and its susceptibility not only to local and short-run but to private pressures, while the Commission was by nature devoted to long-run and wholly general interests; but no other reasoning can account for the establishment of such a relationship as was set up. It was probably anticipated that the borough presidents with seven votes would often oppose the three general

¹ Section 200, City Charter.

elected officials who among them had nine; but also, probably, that the borough presidents would often split. Such a device as this is always worth trying, it must have been argued, and no one could say whether it was necessary to set the advantage at three-fourths, at seven-eighths, or at some other figure. What was needed was to set it at a point at which the general interest would prevail, but at which plain outrages to individuals could be overcome. At any rate, in zoning regulation the figure of three-fourths was chosen.¹ And in undertaking modernization of the resolution the Commission had to take into account that it was advisory but with a weight which gave it a certain likelihood that time thus spent might not be wasted.

IV

ONE of the evident guiding principles of successive changes in the government of the City of New York has been the centralization of responsibility and of administration. The most important negative corollary has been the progressive emasculation of the borough presidents' offices. In the last revision, there were left to the presidents not much more than certain engineering and street maintenance duties as administrative tasks, and seven out of sixteen votes in the Board of Estimate with which to check the three officials who had a citywide constituency—the Mayor, the comptroller, and the president of the council. The Planning Commission, appointed by the Mayor, but with terms of office twice the length of his—so that a majority of the Commission would always (after the first few years) have been appointed in a former administration, if not by a former Mayor—was not only conceived as a further step in centralization but also as a long one in generalization.²

There was the inconsistency in the status of the Planning Commission that might

be expected in a first attempt: an expense budget absolutely controlled by the Board of Estimate, which has been spoken of before, and consequently an agency with duties far beyond its probable capability; and a chairman of the Commission who was at the same time a member of the mayoral cabinet—a position which might, under certain circumstances, be very embarrassing for one or both these individuals and which might detract from the Commission's single-minded allegiance to long-run general forces. The Mayor, it is true, was a general officer; but, like all elected officials, one with a comparatively short-run and necessarily political interest. An official elected for a short term must be responsive in a different sense than an appointive officer whose term is longer. The Commission was intended to be devoted completely to the long run as well as to generality, and to be removed as completely from what is ordinarily called politics as is humanly possible—as much, for instance, as is the judiciary. Dependence on the Mayor as well as on the Board of Estimate for funds would necessarily work against that end.

These considerations will be referred to later in other connections. They are, however, nowhere more relevant than in considering the Commission's capital budget duties. The master plan might easily degenerate into a mere map—or a series of them—setting out a scheme for the flow of traffic, and the placing of public buildings, sewer and water systems, and the like. Most planning efforts in other cities have amounted to little more than this. One means of insuring attention to expertness and detachment was the reference of projects for comparison with the master plan. To strengthen this influence the programming of improvements was entrusted to the same agency which was to create the plan. Planning was thus given a new dimension—time was added to space. The same group which laid out sewers, transit lines, schools, and playgrounds would now have to consider not only their desirability, but

¹ There was also the fact that three-fourths had been suggested in the *Standard City Planning Enabling Act*, issued by the U. S. Department of Commerce in 1928.

² There were provided six appointive members with the term of one expiring each year.

their possibility; that is to say when and how the changes indicated might be expected to come about.

If competence was required for working out a plan, the requirement was increased when the Budget and Program (as it was officially known) was taken from the budget bureau and given to the planners. It appears from the *Hearings*, which record the proceedings precedent to charter change, that what was being done here was well understood by some, at least, of the framers. There was a good deal of discussion concerning the time period during which the program should be laid out in some detail; as it appeared finally in the charter the period was set at six years. The conception was that the budget should cover the prospective year and the program the succeeding five years. The budget was to be made rigid and difficult to amend but the program, though it showed the probabilities for the future, was to be recast every year with the benefit of that year's experience. The first year of the program did not automatically become a budget for its period, it was gone over again in detail and reissued with a new succeeding program.

Budget theorists, have, for a long time, been longing for a fiscal layout which went beyond the current period. There was a special reason for it in public budgeting; it was thought of as going some way toward reducing "pork barrel" appropriations, but also it had the possibility of approaching a more normal fiscal period (if such a thing can be spoken of in an unplanned economy) than the arbitrary *annum*. Cities particularly—because they might not unbalance their budgets as the federal government could—suffered from the alternations of prosperity and depression when tax receipts rose or fell unpredictably and when demands for expenditure had a reverse relationship to income. The six-year period chosen was doubtless a kind of trial-and-error compromise. It was not long enough to span most business cycles, but it was a gain over the annual budget.

Difficulties were likely to arise because of a lack of clear objective and of a clean concept of time; because of the program's incompleteness;¹ and because of the difficult relations set up with the other offices of city government.

As to the first of these—objective—it must be remembered that this charter was written not at the end of a period of change but in the midst of it; and in nothing was the disturbance more profound than in the conceptions and techniques of public finance. Note the curious difference it made to New York, for instance, that about half its municipal expenditures in the years 1934-1940 should have been imperceptibly shifted to the federal government. For a long time the city was going to have fiscal uncertainties which would be beyond its control. Would succeeding federal administrations keep up expenditures on which the city so abjectly relied? Would a changing national program—say new emphasis on defense—shift expenditures away from New York? And, on the strictly capital side, would the program of replacement and expansion, begun with the aid of federal public works funds, be suddenly cut off? Sewage disposal alone would require some 200 millions to complete. New water supplies would require at least as much. And the rapid transit system, just being municipalized after years of negotiation, would obviously require much rebuilding if service were substituted for money making as its aim. So it went with schools, hospitals, health and welfare centers, and all the other services. In nothing could the city's facilities be considered complete by modern standards.

Not only general ideas, then, of public finance, but attitudes in New York, were in midchange—had not reached stability—when the charter was written. The provisions which actually resulted from discussion and compromise included not only a one-year budget and five-year program but provision that it should automatically be-

¹ "Assessables," as will be noted later, were not included.

come effective unless the Board of Estimate should, within a given time, reject it or any part of it by a two-thirds vote. The logic of requiring a two-thirds vote in this instance rather than the three-fourths vote needed to negative changes in zoning regulation is not apparent. It may well have been merely arbitrary, lacking any precedent.

In addition, a rigorous capital budget timetable was worked out which was meant to dovetail the various cooperating offices. The comptroller, the director of the budget, and the Mayor were variously involved. The attempt was to bring in, especially, the comptroller's knowledge of the fiscal program and the Mayor's sense of city-wide responsibility.¹ It might seem strange to the chairman of the Commission who, as a

¹This program for a typical year worked out as follows:

Not later than August 15 the comptroller submits to Board of Estimate, to the council, to the City Planning Commission, and to the director of the budget a report setting forth the amount and nature of all obligations.

Not later than August 15, at the direction of the Mayor, each agency submits to the City Planning Commission and to the director of the budget, a detailed estimate of all capital projects.

Not later than September 1, the director of the budget reports to the Mayor his recommendation as to the maximum amount and nature of debt which in his opinion the city may soundly incur for capital projects during each of the succeeding six years.

Not later than September 15, the Mayor submits to the City Planning Commission the report of the director of the budget, together with the Mayor's certificate as to the maximum amount of debt which in his opinion the city may incur.

Not later than November 1, the City Planning Commission submits to the Board of Estimate, to the council, to the director of the budget, and to the comptroller a proposed capital budget and a capital program.

Not later than November 15, the comptroller submits to the Board of Estimate and to the council a report containing comments and recommendations with respect to the proposed capital budget and program.

Between November 15 and 25, both inclusive, the Board of Estimate holds public hearings on the proposed capital budget.

Between November 25 and December 4, the Board of Estimate adopts the budget for the ensuing calendar year. Should the Board of Estimate fail in this it is deemed to have been adopted as submitted by the City Planning Commission.

Not later than December 6, the capital budget as adopted by the Board of Estimate is certified by the Mayor and submitted to the council.

Not later than December 29, the capital budget as adopted by the council is certified by the president of the council and transmitted to the Mayor.

Not later than December 31, the completed budget as finally adopted is certified by the Mayor, the comptroller, and the city clerk.

cabinet member, presumably would see and consult with the Mayor frequently, to have the privilege on September 15 of receiving from the Mayor a formal letter setting out the global amount of the forthcoming budget.

But that was the least of the inconsistencies. They ranged from anomalous provisions concerning departmental hearings, which no one could exactly interpret, through provisions which connected the budget director with the proceedings in ways which would make it possible, at least, for him to find excuse for complete duplication of budgeting work, to omitting what are in New York called "assessable improvements," a term which applies to street, bridge, sewer, and other improvements. Such improvements amounted in some years to half of the new expenditure, and obviously had exactly the same effect on the debt limit of the city and its fiscal situation as other capital items. Moreover, the provisions were so drawn that many expenditures might be classified in either way, thus making it possible for department heads and the Board of Estimate to defeat the purpose of the whole procedure for regularization.

V

STILL another city function was entrusted to the Commission: the making of the city map and its custodianship. It will perhaps have been noted that the duties already described affected more than strictly municipal functions. The Capital Budget and Program, of course, was confined to the extension and replacement of city facilities and affected privately owned property only indirectly. But zoning was intended to be a limitation on the form and use of private property; and, as has been said, the very plots and buildings which would be most affected would inevitably be owned by those with most influence in preventing any serious limitation of their activities. This last was no fault of the charter makers. Every city of any account has zoning regulations. They have always been approved by the

theoreticians of city planning. That they have never succeeded in doing more than limiting the worst absurdities of building heights, or the most flagrant incursions of business into residential areas, did not argue that they ought to be dispensed with. The very fact that they were regarded as reformist instruments, yet could be managed in the interest of those who ought to have been regulated, had contributed first to passive acceptance and then to enthusiastic defense by realty interests, holders of mortgages, and others with similar interests. All of these factors account for the prominent position of zoning matters in the Commission's work: it was a presumed limitation on private operations which was really very difficult to enforce at all.

As for the master plan, the charter laid out a frame of reference, as has been described, which would include not only municipal operations but all life and activity within the city. Actually, the master plan was thought of as coming into being slowly through the years by conformance to it of slowly replaced or extended facilities, a conformance shaped partly by zoning and partly by capital budget appropriations, the one influencing private improvement and the other giving shape to new public equipment. These were theoretically the instruments *par excellence* for creating the future. That neither was perfect nor even, perhaps, actually very effective, the experts may have known well enough, and yet not have been able to think of anything acceptable to use in their places. In fact, each was evidently thought of as supplementary, since neither was completely implemented for the only purpose it could rationally be conceived to serve.

But by the apparently innocuous transfer to the Commission of the custody of the city map and the corollary power of making and revising it, both these other instruments were considerably strengthened. The master plan represented the desirable future; the capital budget and program showed it coming into being so far as city facilities

were concerned; zoning indicated broadly what private interests could and could not do; but the provisions concerning the city map held the possibility that when a change was requested a considerable bargaining advantage would be available—an advantage which affected both public and private enterprises.

If a brewery wanted to expand and to close a city street, the Commission had the opportunity to examine the project in relation to the master plan, even though no reference to the plan for private changes of this sort was legally required. If an insurance company wanted to invest in a large housing development—no matter of what rental class—it would be certain to need some revision of grade or street alignment, some modification of the sewer or water system, even if it needed no change of zone. These requests gave the Commission opportunity for extending its examination of the project. Density could be inquired into, since such developments in the past had tended to increase crowding enormously no matter how much they improved construction standards. And the relation of the project to existing municipal services could be examined, since the desire for cheap land usually determined that these projects should be placed in situations where facilities were inadequate; these would then have to be provided by the city; and what at first looked like a desirable housing enterprise often turned out to involve the city in costs greater than those incurred by the builders. These are examples of the utility to the city of close guardianship for its map, and, indeed, of locating that guardianship within the same agency which administers the master plan.

Until the new charter was adopted the mapping of the city had been done in the offices of the borough presidents, and changes in the map had been examined in the office of the chief engineer of the Board of Estimate and Apportionment before formal adoption by that body. The new arrangement, besides drawing together the plan and the map, was designed to remedy

the competition among boroughs and a lack of coordination which the chief engineer had too little knowledge or power to repair. The results had been, as a matter of fact, not so bad as might have been anticipated, and were actually good in a technical sense. The great difficulty was that standards were too exclusively confined to engineering excellence. So, in drawing up the charter, not only the making of the map but any changes in it were made the responsibility of the planners, subject again to the three-fourths majority of the Board of Estimate. This was a drastic reduction in the duties of the borough offices and of that of the chief engineer and thus a serious potential source of trouble for the new agency, a potentiality which was somewhat mitigated by providing that the chief engineer should be a member *ex officio* of the Commission. But there was no provision for lessening the already dangerous hostility of the borough presidents. The public's attitude toward the Commission could not be expected to be an active or informed one. The duty of drawing things together and of central planning would not be spectacular in the sense that the maps and architectural designs sometimes are. The nature of its duties would require it to check in a serious way the ambitions of able administrators, sometimes of long experience. But nothing was provided in the way of defense.

VI

ANOTHER way in which the Commission was to control private activities was by passing on all subdivision plans, subject to the power of the Board of Estimate to reject or to modify its decisions by a three-fourths vote. The Commission soon discovered a need to use this tool in the solution of a problem more important than it seemed on the surface. It had to do with checking that movement toward the periphery which was an accompaniment of decaying central areas. Neither phenomenon—developing outer areas or degenerating inner ones—could be said to cause the other. Both were the result

of more fundamental causes. Checking subdivisions was perhaps an attempt to treat symptom rather than disease, and so bound to have little success; but it has to be recorded as part of the Commission's duties.

Some cities had been given the right to dictate more drastic terms on which subdivisions might be laid out than were provided in the new charter. It was not certain whether the New York situation was defined by the general city law of the state¹ or merely by the charter. If defined by the general law, then the powers were broader; but even if it were assumed that the larger powers resided in the Commission the ultimate question still remained: how much could be accomplished by such a device, used by a Commission handicapped as this one was? A good deal, the charter writers evidently thought, though there was no attempt to extend these controls beyond the city line as had been found necessary in those instances where the device was seriously used. Indeed, little could be accomplished—that is, little in comparison with the need—if the controls were confined within the city. New York's worst problem in this respect lay out in Nassau, Suffolk, and Westchester Counties. And even if these had been included, there was always possible an escape to New Jersey for jerry-builders and real estate sharks.

It seemed more important in 1937 than it had before, also, to impose some subdivision control. For the Federal Housing Administration had not yet learned much discretion; there was far more interest among its local officials in a large volume of loans than in the effect of an easy lending policy on the city. The F.H.A., it must be said, was at that time guaranteeing loans and thus encouraging banks to furnish the funds with which cities were often involved in serious trouble. Speculative builders, with this backing, were scattering a population which would demand the extension far and wide of city facilities; but nothing

¹ State of New York, General City Law, Sections 93 and 97.

was being done to oppose this influence, to hold population at the center or to liquidate it cleanly. The new facilities which the city was thus forced to provide—schools, playgrounds, and the like—were duplications of already existing ones which could not be abandoned.

This situation was made really serious, also, by the change in the rate of population growth, which had as yet been officially admitted by no one. All the professional boosters—whose voice was loud—ridiculed suggestions of stability. But most of the Commission would know at once for truth what most other city officials, along with the promoting groups, ridiculed as "theoretical"—that the growth of population in the city had enormously slowed down. And it was necessary at once to find ways of opposing movement to the periphery if the city was not to find itself in financial difficulties from which it would take a generation to recover.

The fundamental of which excess subdividing was a symptom, then, was allowing city expansion to be determined in quantity, quality, and place by private interests whose activities would be opposed to the city's objectives. This pointed to a basic general interest in land, the protection of which would eventually lead to something like public ownership for most of it, or, if not that, to such a public utility status as would probably end all speculative interest in it. To attempt to meet this vast difficulty, which reached deep into custom and prejudice, with a mere attempt at the regulation of new large-scale subdivisions, was to attempt a skyscraper excavation with a spoon. But the spoon was provided, and the Commission would be expected to make some use of it—if for no other reason than to prove the futility of expecting adequate results.

VII

THE history of the master plan in the first two-and-a-half years is necessarily, even as to method, incomplete. Yet certain pro-

cedures worth recording were settled on. It was necessary, it will be understood, to use the referral machinery even before criteria had been established. A proposal to build a sewage disposal plant, a request for added funds for the new Delaware water system, a scheme for public markets to replace pushcarts, new schools for various neighborhoods—all the assorted needs and demands of city departments began at once to flow into and through the offices of the planning department. There was no master plan, but requests could not be held up until one had been completed; that might be a matter of years. It was thought at first that the plan might be built up after the fashion of the common law, bit by bit, precedent by precedent, as referrals were received and decisions made.

The difficulty was, as members of the Commission soon found, that they were merely sorting out projects from among many proposals without any concept of genuine need. That something more comprehensive was required became obvious—something related to the *Gestalt*, which, by the way, seemed more and more indispensable as time went on. About docks, for instance, the Commission members found themselves inevitably asking whether the position of New York as one port among many was growing more or less favorable, and even whether the world's goods which flowed into and through the city and were often processed there were likely to increase or diminish in volume. These, of course, were matters which the commissioner of docks considered also. But he was a busy, in this case, a harassed executive; he no more than others was furnished with facilities for research; and his department always had an uncompleted program which he was bound to forward if he could.

It was the same with all agencies which purveyed services. The uncritical layman, if he were governed by his emotions, might be moved to support a program intended to correct at once and completely any or all of the city's deficiencies. As they unfolded be-

fore the Commission, however, the basic conditions which created slums, tuberculosis cases, and so on began to appear—the decline of the port, more or less permanent unemployment, old failures of a machine-run city to provide honestly for its growing needs, and, above all, the determination of change and of capital expenditures by a union of politicians and real estate speculators. And it was borne in on the Commission, as it had been long before on Mayor La Guardia, that good wages are more important than expanded prisons, that a sound industrial and commercial life is better than even efficient and adequate relief, and that good housing and protective health centers are better than curative hospitals. And, as well, that direction of the use of land is more profitable in the long run than protecting the kind of enterprise which commits the city to more expenditure than can ever be got back by taxing any values it may create.

From this simple decision the Commissioners quickly moved into the comparative, the conjunctural field. They had to weigh a school in the Bronx against a park at Coney Island or a health center in Richmond. And this was a kind of effort which could not be pursued long without some criteria of a fundamental nature: the size, the rate of growth, and the distribution of the city's future population; what was going to happen to its economic bases; what were the over-all capacities of citizens to pay for the customary municipal services? All these became immediate, practical considerations, demanding the most exact answers. Getting such answers, however, required much information not presently available anywhere and a kind of thought which had been given to city problems before only by a few students and experts.

In order to make a master plan the Commission had to commit itself on a number of philosophic issues, to acquire a wide range of knowledge, and to reverse the method of work which is natural to scholars and scientists in most other fields. To do so, the Commission and its staff worked farther and

farther from ordinary considerations and usual thinking, so that as it came closer and closer to representing the true central interest of the people of New York there was less and less available understanding and support from citizens. The Commission, when it reported to the Board of Estimate during its first two years that a certain project did "not affect the Master Plan, so far as adopted," was merely being sophistical. Until a map of land uses allocated the city's area to housing, manufacturing, business, and the like, and adjusted the densities to probable future populations, it was useless to try to do much in the way of zoning. The same thing, only in less degree, was true of a highway and transit map. With these maps, and with a drainage and water system laid out, other things would normally fall into place. It will be seen how this procedure reversed the common law method; and how, on occasion, it would seem a strange way to proceed. Yet it was necessary.

The map for a system of highways was completed first, and by the end of two-and-a-half years the land use maps for 1990 and 1965 were under active discussion. At the same time, the third capital budget and program was being prepared. Concerning this budget and program many of the same philosophic and methodologic difficulties had had to be overcome. It was true that the global amount of each year's budget was furnished by a collaboration between the Mayor and the comptroller; but no such guide was available for the program.¹ This stretched out for five years ahead, and if it was well done each of its years became with no more than minor modification a current capital budget. That would never happen literally; unforeseen occurrences would be frequent. But it was important to reduce the percentage of deviation year by year and to approach absolute accuracy. For a city's life is not reducible to annual chunks; it continues. And improvements, once made, last

¹ Except that, in practice, the comptroller furnished his views concerning the relation of the program to the borrowing power of the city and, indeed, to the whole problem of city finance.

through a certain period of time, influencing all more or less related functions. So, also, with the financial scheme. The values of property for tax purposes do not change rapidly, nor can they be made to change because it is desired to make certain expenditures. Borrowing is, much of it, for a long term; and the price of funds is determined to an extent by the rationality of expenditure—a not inconsiderable factor in a city's life when its obligations are measured in hundreds of millions. As an individual diets in the interest of future health, a city must diet to please its bankers and its taxpayers; meanwhile it must strive also to furnish as generously as can be managed some three hundred facilities and services to its citizens. An annual basis for this kind of effort is almost as inadequate as an annual federal budget for forestry. A tree once planted constitutes a commitment to twenty, forty, a hundred years, perhaps, of care. So a school, a hospital, a library is a commitment to expenditures and to management for decades. That these expenditures ought to be looked at in this comprehensive way scarcely needs to be argued any longer. Amazingly enough, few governmental units in America had undertaken to do it, and so no help was to be got from the experience of others; and the effort in New York was so new that its true nature had to be uncovered by sheer trial and error.

The first hearings and conferences on the requests of the various agencies were awkward and inconclusive. What questions to ask had to be felt for—the hidden commitments in innocent estimates, the neglected areas of development which ought to have had priority. And then there was the harassing lack of staff to shape up requests and to probe their insides. Somehow the task of the first year was got through; the second year was more revealing and useful; the third year began to seem easy by comparison.

The capital budget and program of neither year was adopted by the Board of Estimate as it came from the Commission. In the first there were some lapses, some

evidences of inept approach, and some engineering or accounting inadequacies, not strange considering that the Commission had on its staff not one expert in either field. It was, however, better in organization, more relevant to the city's fiscal and conjunctural problems, than any former budget, and in this respect was not changed by the Board of Estimate. The ineptness of the first had almost disappeared from the second; and the single large change—a lumping of school funds which had, with laborious care, been separated and scheduled by the Commission—was a change for the worse; it allowed the Board of Education to continue its claims on many millions in unused and unusable funds which might have been devoted to other badly needed facilities.

The great advance made in the third budget was the inclusion for the first time of an informally annexed budget and program for assessables. These, as has been noted, were left out of the budgeting process by the charter writers, yet no intelligible approach to a program was possible unless they were included. By including them in a grand total a complete program could be arrived at. This part would not be subject to the same controls as the capital budget, which could be amended after adoption only with considerable formality. But it was felt that its very existence would act as a guide and perhaps a check to proposing and appropriating agencies.

For its budgeting efforts the Commission has received a good deal of praise from conservative citizens. It has been otherwise with zoning activities. Here, of course, the city's restrictions on money-making enterprise centered. The interests affected reacted in classical fashion; and local political officers responded in classical fashion too. To say that this effect was expected is not to agree that the experience as had was either necessary or desirable. It seemed often that it might well have been quite otherwise. Nevertheless, in this respect almost complete rejection has to be recorded by elected

officials, the courts, and public opinion.

Curiously enough, in view of later experiences, the first extensive zoning attempt was opposed by a group of organized tenants. The area sought to be brought under greater restriction as to use, height, and building bulk lay on the lower East Side of the city, a region of almost immemorial slums which it was hoped might be rehabilitated with the use of public and semipublic funds. The objection was later withdrawn and the true opposition then appeared. It came from owners of property each of whom hoped that intensified uses would enhance the value of his particular holding. That this could not be true of all properties everyone knew in a theoretical way, but nevertheless everyone demanded special consideration for what belonged to him. That, of course, had been the cause of the compromises in 1916 when zoning first began in New York. There had then been set up zones for business use (that being the zone with the greatest value) which were many times as great as even the most fantastic forecast. The anticipated rise in price of any owner's property could have occurred only if many others had been restricted, thus giving the property a scarcity value, or if the city had grown to Gargantuan size. The first contingency was eliminated by the relative unwillingness of any one to accept restriction; and the second contingency was nullified by the amazing deceleration in the rate of population growth, which would have made ineffective a far more restrictive zoning than was attempted.

Since the first grand attempt of 1916, and as a matter of precedent, no other considerable attempt had been made. No one had been willing to rouse the latent opposition of land speculators. There had been some changes; but they were ones which were wanted by the petitioners for themselves, not ones calculated in any way to secure the public interest. In attempt after attempt the same results were reached.

The experience of two-and-a-half years is sufficient for certain generalizations. One

has to do with the charter and its intention. It must be remembered that so far as private enterprise is concerned, the only clearly provided means for effectuating the master plan—that is, shaping the future city in the interest of the citizenry rather than letting it take any shape which hit-or-miss profit-making happens to produce—is through zoning. Theoretically there is no other justification for a master plan than that it may come about, that the public interest may, at least gradually, prevail, and so with zoning. That instrument can be used in a small way to benefit private individuals who want to improve a subdivision or perhaps to suppress some politically weaker group of neighbors with outrageous ideas of development. But all that is of the very slightest interest to the city as a whole. It serves none of those larger purposes envisaged by a careful master plan. It does not help the city to orderly, solvent, and efficient modes of reconstruction. And zoning, if so used, is not worth the trouble and expense which goes into it.

In view of all this, and in spite of the gravest misgivings, the Commission seemed bound to try again even after its first failures. It resolved, therefore, to go back and revise the resolution, to put the instrument itself in working order. This seemed the more imperative since such revision was evidently contemplated by the charter, though there was the inconsistency here that property owners were given fatally easy ways to escape from any new restrictions.¹

After protracted and meticulous effort, with public hearings at several stages, and with all the expert advice available brought to bear, a revised resolution was sent to the Board of Estimate in June, 1940. The period of a year and a half of active work on it was one in which the affected interests grew more and more conscious of zoning as a potential threat to their freedom of action.

¹ Twenty per cent of those affected by any proposed change would shift the weight in the Board of Estimate from a three-fourths vote necessary to *depart from* the Commission's action to a unanimous vote necessary to *put it into operation*.

They opposed it with every means at their command, and particularly those clauses which were aimed at the eventual elimination of nonconforming uses. These were, of course, the real test of sincerity on the part of everyone. If it was intended to use the resolution to effectuate the master plan, this was an indispensable power. The Commission's clauses were worked out with great care and after long consultation; they were rejected by the Board of Estimate and a much milder substitute incorporated. Whether it will be of use in going forward at all is not clear.

Certain it is, however, on the whole, that zoning is a difficult and, for its users, a dangerous method of securing the public's interest. That this last observation is not merely conjectural was shown when the city council, immediately after the struggle over the zoning resolution, undertook to destroy this power altogether. That the legislative branch of our system of government should lend itself to such an attempt on the part of a private interest to protect itself at the expense of the public will not perhaps be as much a matter for surprise as for disappointment. But that it did so certainly raises further questions concerning the usefulness of zoning as an instrument of civic progress.

VIII

WHAT can be said of the Commission's first two-and-a-half years is that all its difficulties proved to be real and all its advantages proved to be weak. Perhaps the most serious difficulty turned out to be lack of staff. Mr. La Guardia was a reform mayor, and as such more sympathetic toward the Commission's work than any successor was likely to be; there was as little political influence in the determination of capital projects as is ever likely in a democracy; all staff appointments were made for merit; and all six commissioners were the current Mayor's own appointees. For these reasons there was a collaboration between the Commission and the mayoralty which would be unlikely in more normal circumstances. The chief

complaint of the Commission was one concerning the inadequacy of its staff for the onerous duties which had to be undertaken.¹

In not acceding to these requests it may be that Mr. La Guardia will turn out to have been wiser than anyone connected with the planning movement in the United States would admit. For the result was that the Commission did less planning, as the word is technically understood, and more of another kind of thing. And this last was probably of some importance to the city and, perhaps, to the planning movement. It has been suggested that none of the tools with which the Commission was fitted out were novel. There were, as a matter of fact, several hundred cities with planning commissions by 1908, many of which had master plans and many of which carried out zoning on what had become a familiar pattern. It was an advance to add to these the capital budget, but capital budgets in themselves were getting to be ordinary enough.

When the Commission was first organized and looked over its duties, something like panic was engendered by the obvious size of the task. When the members had settled down they drew up what seemed to them a minimum budget for their operations. It would have run to 146 employees and an annual expenditure of \$486,740. It seems quite possible that if they had got it, they might have been swamped by the decisions forced on them by technicians. The master plan would have been completed perhaps within a year; the entire city would promptly have been rezoned. But there might have been little consideration given to the fundamentals of their task. And New York needed "thinking about" generally even more than it needed planning specifically. Indeed, a good deal of contemplation, even of self-education, was required to grasp the implications for central planning in the charter. And no one had even considered the conjunctural problem posed by some 125 separate agencies of whom some twenty

¹ *Annual Reports*, 1938, 1939.

were aggressive full-scale departments. Also, no one seemed to know precisely why the city year by year was sinking deeper into fiscal distress. The Mayor was able to say that he "had a group of \$50,000 Commissioners," but he was forced to admit nevertheless that, in spite of his exhausting efforts, his city was in a financial condition which made the strictest economy necessary. It was this fact, indeed, however paradoxical it may seem, which impelled him to meet so adamantly the demands of the planners for what they regarded as an adequate force of technicians. At any rate, the result was that at the end of its first year of operations the staff numbered only fifty-five at an annual pay roll of \$218,186.¹

Most of the staff were not planning technicians at all, but engineers of various grades transferred from the office of the chief engineer or from the borough presidents' offices. They were, because of transfer of duties under the new charter, performing practically the same tasks in the new agency as those which had engaged them in the old—that is, handling maps, checking zoning appeals, reporting on projects for small assessable improvements, and the like. In fact, the Commission had relatively fewer people to discharge these duties than had been engaged in them before. Nevertheless, and (it has to be admitted) to the delay of routine work, a number were taken from these jobs and put to work at master planning. They were under the direction of a well-trained planner, fortunately, who was one of the few outside acquisitions permitted. This work went on with a kind of dreadful slow awkwardness and, as was to be expected, with opposition from many department heads. But it did go on; and because it went awkwardly and slowly and because there was continual question about it, the Commissioners themselves did a good deal of hard thinking about its form and its relevancy to the city's life.

Difficulties experienced with the master

plan were not so serious, however, as those which accompanied preparation of the first capital budget. For in consequence of the opposition of the budget director and of his strategic position in the government, no transfers of personnel at all were made from his staff although these duties were presumably to be subtracted from his own. It was clear from the first that he had no intention of recognizing this subtraction and every intention of going on as before making a capital budget of his own which he hoped would be substituted by the Board of Estimate for that of the Commission. Nevertheless—and this again is perhaps significant—both these budgets were generally agreed to be the most intelligible and integrated the city had ever had. Again, it may be suggested, they had needed less working on in a technical sense, than thinking about in a general sense.

These problems of staffing throw some light on the shortcomings of the planning movement as well as the plight of American cities. The two are indeed related. The fact that it is permissible to speak at all of a "planning movement" in the United States indicates a need for it which is stronger than either neglect or opposition. For it has had both in ample measure, not to mention its perversion by those who wanted to pay lip service to something reformist and progressive which was certain not to encroach on any other interests in such ways as to bring sponsors or practitioners into disrepute. These impulses were, perhaps not less in New York City than elsewhere. There were at least two favoring circumstances, however, which distinguished New York to a certain extent from other municipalities. Because it was a center of wealth and of modern technical culture, it had generated the Regional Plan of New York and Its Environs, and the successor organization, the Regional Plan Association, the most formidable private attempts to formulate a master plan ever made. So far as it went this master plan had been a success; that is to say, it was technically competent and physically

¹At the end of the second year the comparative figures were: a staff of 65 at an annual pay roll of \$236,796.

comprehensive. In its many years of existence it cultivated the ground in which directional planning might grow. But equally important was the circumstance that in New York the tripartite form of government had long ago been substantially modified. Under the charter of 1938, the legislature had become almost vestigial. Only by some such fortune can planning advance in the American system, because all three branches—executive, legislative, and judicial—are inherently hostile to it. And where they exist, strong in being and in the mind of the citizenry, directional planning can take hold only in crises of some sort which provide temporarily favoring circumstances.

The *Gestalt*, the configuration, of a city, is not only something which, as has been insisted here, must be taken account of; it is also something which is created by men. It may be done badly or well; that is to say, the resulting social organism may function efficiently or wastefully. These results are determined more fatally than is usually admitted by the motive which is dominant in the process. Thinking and caring about the city leads to generally good results; thinking and caring about making money out of land, out of utility privileges, or even out of mortgages on realty may—and often does—lead to bad results. Every city government is tormented by the necessity for turning these latter activities in directions which will have at least a minimum of acceptability by general standards. There is an immemorial struggle among the politicians in every city to attain credit for giving advantages to those who can make private use of them. It is necessary to do this and still maintain a reputation for public service, except when utter cynicism will go unpunished. And it is sometimes, though not often, possible. In this struggle a favorite weapon is the representation of an opponent as the enemy of one after another of these private individuals and groups until the total disaffection is sufficient to discredit him. The position of the planning commission will, in the natural course of things, be an exposed one.

It will often offend. It will seldom be able to do a favor. It will never be, in the usual sense, popular.

Factual reviews of the New York City Planning Commission's work—progress on the master plan, extensive zoning changes (sometimes reversed by the Board of Estimate), labors to create an intelligible budget and program, and so on—are to be found in its *Annual Reports*; and there are available, for more minute study, volumes of *Minutes* which report its *Hearings*. These to some extent reflect the background of research and thinking which has gone into the creation of what is essentially a new concept of the city. But the picture can scarcely as yet be adequate. For these have been precedent-making years. Every step has had to be thought out, even if only falteringly, in relation to every other step which might have to be taken. Criteria of conjuncture have had to be created which might be substituted for others more acceptable to most interests, but, for the city, quite useless.

There might have been some way, even in these peculiar circumstances, for an agency of this kind to endear itself to its constituency, the folk of the whole city. It has not been able to do that. There is, in the minutes of almost every meeting of the Board of Estimate, an attack on the Commission by one of the borough presidents. These are, of course, made in the full knowledge that they will never be answered. Not once, but dozens of times, have at least two presidents advocated abolition of the Commission. And there seems scarcely any doubt that some opportunity will be made for the necessary charter change which would carry out this threat. There ought, perhaps, to be some defender. Yet the general interest is no one's own.

Consequently, it could not be said, at this writing, that the outlook for continuation is very bright. But if the Commission should die it will not be a permanent death. It could only accompany a return to power of sinister influences which, though they may be toler-

ated for a time, are always exposed and chased under cover when their depredations become too costly. Mayor La Guardia has often remarked that the charter of '38 is an excellent vehicle for corruption: that, in a return to power, the old gangs would find

it perfect for their purposes. This is certainly true. The Planning Commission is an exception. A preliminary to new corruption of New York would necessarily be its abolition. But a preliminary, also, of some future reform would be its reconstitution.

The Administrative Career of Dr. W. W. Stockberger

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IN the history of personnel administration in the federal government, no name is more important than that of Dr. Warner W. Stockberger, former Director of Personnel of the United States Department of Agriculture. When President Roosevelt issued his Executive Order of June 24, 1938, requiring that all federal departments and certain independent agencies establish personnel divisions, headed by personnel directors, Dr. Stockberger had already completed thirteen years of service in such a position. The example set by his years of pioneering effort undoubtedly had much to do both with the issuance and with the effectuation of the order. In making its personnel recommendations, the President's Committee on Administrative Management had given special attention to the personnel organization and program in the Department of Agriculture. In carrying out the terms of the Order, many departments and agencies found the Office of Personnel of Agriculture a valuable depository of personnel information and experience. In examining applicants for the new positions of Director and Assistant Director of Personnel, the Civil Service Commission sought the advice of Dr. Stockberger and later appointed him a member of the oral-interview board.

Dr. Stockberger enjoys the distinction of being the first important figure in the federal personnel field. For approximately two decades he has directed the personnel program or assisted in formulating the personnel policies of one of the largest federal departments. To those who know him

professionally, he is an extraordinary public servant. To those who know him personally, he is also an admirable individual and a kindly philosopher. In personnel circles in Washington he is often referred to as the "dean of personnel administrators." When the Society for Personnel Administration was organized in 1937, he was unanimously elected charter president; when he retired from the position, he was unanimously elected president emeritus in recognition of his "distinguished service and inspiring leadership." Students of public administration invariably cite his career as a brilliant example of the specialist, the scientist in this case, who succeeded as an administrator in a general staff capacity. An examination of his career will throw some light on the reasons for that successful transformation; but first it is necessary to understand the setting in which the transformation took place.¹

The Background

LIKE many other auxiliary services, personnel functions in the federal government were until recently dealt with as an undifferentiated part of management. The Civil Service Act of 1883 and the Retirement Act of 1920 established a central personnel agency and made it responsible for taking hold of the personnel problem from both ends, initial employment and final retirement; but the vast and significant gap

¹ The author is indebted to many persons in the Department of Agriculture for information and suggestions, particularly to Mr. William A. Jump, Director of Finance; Dr. Henry G. Knight, Chief of the Bureau of Agricultural Chemistry and Engineering; and Mr. Henry E. Allanson, Business Manager of the Bureau of Plant Industry.

between was still left to the operating departments, not so much by design as by default.

The most significant phase of personnel administration, that which involves human relations, morale, and the maximum utilization of human resources after recruitment, was left untouched. It was, nevertheless, an inescapable part of departmental management. It could receive special attention by special persons or it could be dealt with in the normal course of managerial events, largely according to the pressure of circumstances. Most of the old-line departments did not establish personnel offices, except for record-keeping purposes, until required to do so by the Executive Order of June 24, 1938. The most notable exception was the Department of Agriculture.

Until 1923 the history of personnel administration in the Department of Agriculture was substantially the same as in all other federal departments. There was a time when all appointments and salary adjustments received the personal attention of the Secretary. As the Department grew, this function became too burdensome. The organic act of 1889 provided for a chief clerk with general supervision over the clerical personnel. Two years later, in 1891, an appointment clerk was named to keep essential personnel records. This was the first "personnel officer" in the Department and the beginning of the first over-all departmental treatment of personnel, except through the Secretary personally. Soon after the turn of the century another personnel agency was created—a committee on personnel. Probably because it was primarily concerned with important disciplinary cases, it was headed by the Solicitor. With the existence of the chief clerk, the appointment clerk, and the disciplinary committee, personnel administration was diffused among three agencies soon after Warner W. Stockberger entered the Department in 1903 as a young scientist.

For thirty-two years, from 1891 to 1923, the appointment clerk was the center of all

departmental personnel functions. Toward the end of the period he assumed the more imposing title of Chief Personnel Officer, and his office came to be known as the Office of Personnel. The function did not change, however, except in quantity, until the passage of the Retirement Act of 1920, which made the determination of the length of service and the rates of pay of each employee of primary importance in the calculation of retirement annuities. Not until the passage of the Classification Act of 1923 was there a major move in the direction of expanding the personnel functions or strengthening central responsibility for them.

The Classification Act was the first milestone in the evolution of nonroutine personnel administration in the Department of Agriculture. The act was revolutionary in that it stripped the veil of secrecy from the basic part of the personnel function, scrapped the statutory-roll basis of compensation, set up standards and safeguards for lump-sum appropriations for salaries, and removed numerous general salary limitations fixed by law. For best administration the Act required the appointment of some central person or the establishment of some central agency to look into the duties of positions, and incidentally the salaries, throughout the Department, and to see relationships, make comparisons, and recommend equitable readjustments wherever necessary. Basic data about functions, salaries, individual duties, flow of work, lines of authority, and other personnel matters could no longer remain the jealously guarded secrets of the bureaus. This was an elementary advance without which personnel administration as we know it could not have developed.

But not all was rejoicing when it came time to apply the classification standards. Approximately one-fourth of Agriculture's employees in Washington were in the professional service, most of them scientists. Many in this group felt that position-classification could not be applied to scientific

and research positions. Duties could not be so carefully measured without injustices and injury to individual research initiative. The scientists seemed to be skeptical about the "science" of classification. Furthermore, the scientific and clerical groups each feared incursion by the other. For several years, particularly during the World War, the scientific group felt, with some justification, that it had been neglected and its work not properly appreciated. Therefore the professional employees were afraid the new classification responsibility would be given to the chief clerks, who might not show proper consideration for the scientific personnel. Conscious of these attitudes, Secretary Henry C. Wallace, father of the recent Secretary, detailed Dr. Stockberger, then a physiologist in the Bureau of Plant Industry, to the Office of the Secretary and designated him the Departmental Personnel Classification Officer.¹ Dr. Stockberger represented the scientific personnel and could protect their interests.

Important as this reason was, there were, of course, other reasons for Dr. Stockberger's selection. He had assisted in working out and administering a classification system which his bureau found necessary to prevent backdoor entrance into the professional service. For seven months during 1919 and 1920 he had been detailed to the Congressional Joint Commission on Reclassification of Salaries as one of three representatives of the Department's scientists. Besides these qualifications of experience, he was a man of recognized ability, with a keen interest in human beings. Although he was also known to possess a liking for administration, there was no intention of establishing the new position as permanent. Instead, the assignment was for a period of three months, at the end of which it was apparently hoped that the task would be done and the physiologist could return to his plants. But the reclassification job was not one which could be done once for all; it required constant ad-

ministration. The need also continued for a central departmental officer or agency to deal with the Personnel Classification Board. Consequently, the time never came when Dr. Stockberger could return to his bureau, and the time never came when he really wanted to return. Fortunately for the Department, he liked his new position and immediately proceeded to develop its great potentialities.

Except for the routine record-keeping functions, this combination of duties was actually the beginning of the present Office of Personnel in the Department of Agriculture. It enlisted the leadership which was destined to put Agriculture in the forefront of public personnel administration. It also provided a skeleton organization and a basic coordinating tool. In appointing the Personnel Classification Officer of the Department, the Secretary authorized him to supervise "all of the work in the Department incident to the working out of the new Act" and to act as "general coordinator and supervisor of all the classification work done in the separate bureaus."

At the same time each bureau was requested to name a classification officer to work with the central staff, which was recruited by detail from the bureaus according to the types of work represented in the Department. Although created for a temporary purpose, this organization established a pattern of relationships upon which a broader personnel program could eventually be erected.

The Classification Act also applied to other departments which only recently have begun to develop central personnel offices. What put Agriculture in a favored position? One-fourth of its Washington employees were in the professional service, the least common denominator of which is a college education. It had Secretaries who took an interest in personnel problems. But, above all else, it had an able and tactful leader in charge of its personnel functions. What kind of person was he? What did he bring to the new position?

¹ U. S. Department of Agriculture, Secretary's Memorandum No. 433, May 11, 1923.

The Man

WARNER W. STOCKBERGER was born in central Ohio, July 10, 1872, the son of a semi-invalid farmer of moderate means whom circumstances had deprived of an opportunity for higher education. Young Warner was a studious child. Then, as now, he was an omnivorous reader. When he entered school he was already well along in his third reader. Unfortunately for the young boy, the farm did not supply much reading material, but what it did supply was thrilling. The chief family diversion was found in the *New York Ledger*, a magazine which specialized in serials. Current issues and back numbers, accumulated over many years, gave the boy many exciting hours on rainy days and winter evenings. Other literature was largely confined to books such as those dealing with the exploits of Kit Carson and Robinson Crusoe. Reading of this kind contributed considerably to Warner's growing dissatisfaction with the humdrum life on the farm as compared with the rapidly moving events in these tales. This attitude was accentuated when major responsibility for the operation of the farm fell to him at the age of twelve. Besides the breadth of interests which carried him beyond the farm, he was, as he now says, "not built for a farmer." He was slight of build, thin, and never in robust health. What he lacked in physical stamina was more than offset by mental energy. It is not surprising, therefore, that young Stockberger exerted every effort to gain the advantages of a college education.

Combining his own training and the training of others, he alternated between teaching in the public schools and attending the Utica, Ohio, Normal School and Doane Academy at Granville, Ohio. After teaching a year in a one-room country school, he advanced to a four-room school in the small village of Hanover, Ohio. His work was so satisfactory that at the end of the first year he was made superintendent of schools and high-school teacher. For two years he continued in this position, teaching mathe-

matics principally, but also language and physics. Meanwhile, the president of Denison University, already familiar with Stockberger's ability, tried to persuade him to return to Denison for the completion of his college education. Stockberger, recently married, could only regretfully explain that he did not have the necessary financial means. Later in the summer, however, the president of Denison asked him to become a student-instructor of history at the University while continuing his college work. Much to his surprise, when he arrived on the campus in the fall, the young instructor-to-be found that circumstances had changed and the instructorship in history no longer existed. But, he was told, there was a similar vacancy in botany. Naturally Stockberger took it. By this peculiar turn of fate he embarked upon a scientific career, from which he did not turn, except incidentally and avocationally, for twenty-six years—a fact which makes all the more remarkable his subsequent transformation into a pioneering personnel administrator.

In 1902, after five years of combined teaching and education, Stockberger was graduated with a B.S. degree. During part of this time he also taught some chemistry and physics in the academy attached to the University. His chief college courses consisted of botany, geology, languages, mathematics, political economy, and mental and moral philosophy. Although there was not much time for extracurricular activities, he somehow found time to take an active part in the Scientific Association, play a clarinet in the college orchestra, and participate in a literary society.

During his final college year and also from 1902 to 1903, he held a full instructorship in botany and acted as secretary of the Scientific Association and editor of its bulletin. In the latter year, at the age of thirty-one, he entered the Department of Agriculture as an expert in histology. His \$1,200 salary was far above the average for that day, as were his education and experience.

For the next twenty years after entering

the Department, he concentrated, for the most part, on his chosen scientific field. At the same time, after working hours, he continued his scientific studies at George Washington University and received his Ph.D. degree in 1907, with majors in biology and botany. An incomplete list of publications written in this twenty-year period records sixty-one articles, three in German periodicals. Only one departed from the biological sciences and ventured into the social science field. Most of the articles dealt with such erudite subjects as "The Bisexual Inflorescence of *Humulus lupulus*" or such practical matters as "Ginseng Culture" and "The Production of New Tanning Materials in the United States." They appeared chiefly in professional journals such as the *American Naturalist*, *American Journal of Botany*, and *Science*; trade journals such as the *American Perfumer* and the *Pharmaceutical Era*; and the *Farmers' Bulletins* of the Department of Agriculture. In a statement prepared by his superior officer in 1920, Dr. Stockberger's service was summarized as "very productive work both in scientific investigations along lines of pharmacognosy, physiology, and plant breeding, and in the practical application of the results of scientific investigations to problems of crop production and utilization." "The investigation of American hops, for example, which he undertook and carried out as a new line of investigation," the statement continued, "is regarded generally as a model of crop investigation in its relation to economic and agricultural conditions." His interest in hop culture caused him to be sent abroad in 1911 to study European means of production and utilization, visiting Germany, Austria, France, Belgium, and England.

When the functions with which he had been primarily concerned were set apart in 1913 as the Office of Drug, Poisonous, and Oil Plant Investigations, Dr. Stockberger was placed in charge. He continued in this capacity until he entered upon his personnel duties in 1923. As a matter of fact, he continued as the nominal

head of the division (later called the Division of Drug and Related Plants)—a kind of chief emeritus—until July 1, 1940.

These facts concerning the period from 1903 to 1923 have been given to show how completely Dr. Stockberger was the scientist before he became the administrator. It would be a mistake, however, to assume that the change was made suddenly.

Dr. Stockberger had never been a narrow specialist. He had always been "somewhat of a bookworm," with science as only one of his many interests. Mention has already been made of his disappointment when the history instructorship did not materialize at Denison. History, genealogy, and exploration in old graveyards are still his avocations. Moreover, one of his marked qualities was, and is, his enjoyment of human associations. He definitely liked people. This trait, stimulated by his country and village school teaching, gave him insight into human nature. As superintendent of schools and president of the Granville, Ohio, board of education, he had learned to deal with the conflicting interests of students and faculty, faculty and parents, rival citizen groups, and various religious denominations. He had entered the Department of Agriculture at the age of thirty-one as a man of affairs as well as a scientist, with a decade of varied experience.

Although he plunged into his new scientific position with great vigor, he was, as he now confesses, the "true scientist" only during office hours. After the day in the laboratory, he turned to reading widely on travel and exploration. He also found time to teach Sunday school classes and to take an active part in his local citizens' association, his lodge, a suburban orchestra, and several professional associations. In 1914 he was elected to the Cosmos Club.

During his scientific career, he was also, in the words of one of his colleagues, "dabbling around in administration." He was interested in problems of management and particularly in human relations. Fortunately for him, the chief of his division

was a research scientist who wanted to escape as much administrative responsibility as possible. Because of these interests, Dr. Stockberger was appointed to bureau committees set up to deal with efficiency ratings and promotions. As head of the Office of Drug, Poisonous, and Oil Plant Investigations he was in charge of a staff normally consisting of from twenty-five to thirty employees. For some time, under an arrangement designed to obviate the necessity for an additional administrative and clerical unit, he also carried the responsibility for the general administration of the Office of Plant Physiological Investigations, with a normal staff of fourteen scientific investigators. These two offices had a combined appropriation of approximately \$72,000 in 1920.

The success of the scientist as an administrator is suggested in a statement prepared in the Department in the same year. It reads, "Dr. Stockberger is recognized as an efficient executive and an effective organizer of new lines of work. As an executive he combines success in dealing with men and the ability to direct their efforts along productive channels. He displays soundness of judgment in recognizing and developing the essential and practical features of lines of investigation placed under his direction. He has demonstrated, on various occasions, conspicuous ability in representing the Department in its dealings with other Departments and organizations. . . . He is a pleasing and effective speaker."

Evidence of Dr. Stockberger's breadth of approach, even in his scientific work, as well as of his advanced social consciousness, is found in his address as retiring president of the Botanical Society of Washington, March 3, 1914. Departing from the time-honored custom of his predecessors, who retired from the presidency with learned scientific addresses, Dr. Stockberger set out to dispel the smug feeling that "it is the duty of society to pay for the services of the botanist." He entitled his address "The Social Obligations

of the Botanist."¹ The central theme was a plea for a conception of botany which would take into account economic and social factors. It warned against the dangers of specialization and candidly advocated a utilitarian science. He who will succeed best, he said, "retains a broad and liberal point of view with respect to the related branches of his science, and . . . is able to put himself into sympathetic relations with men who differ widely in interest and activity." The scientist should "extend the scope of his mental horizon until he can obtain a clear view of the readjustments and changes which are constantly taking place in the domains of industry and education and in the fields of political and social affairs." The public, Dr. Stockberger told his colleagues, can hardly be expected forever to countenance the scientists who recognize no influence or appeal that lies beyond the limits of their science.

This was the man Secretary Henry C. Wallace detailed to his office to carry out the provisions of the Classification Act of 1923. He was obviously much more than his appointment notice indicated: Senior Physiologist, \$4,500.

As the visitor steps into Room 222, Administration Building of Agriculture, today, he is cheerfully greeted by the same man, mellowed by the intervening years. His brow has become deeply furrowed. The wavy hair is turning gray. Deep, expressive lines on his face set off a smiling mouth; and penetrating, quizzical eyes play around the room or fix themselves intently on one spot as he launches into whatever subject the conversation may require. The burden of recent illnesses has slightly stooped his shoulders. He looks frail. Otherwise, he is the man who turned to the personnel job in 1923.

He has to the highest degree that personal attribute which he thinks indispensable in a personnel officer: "a sympathetic appreciation and understanding of human nature."

¹ Published under the same title in *Science*, May 22, 1914, pp. 733-743.

His colleagues unanimously agree that he has a rare ability to put himself in the place of others—an ability to consider an administrative problem from the point of view of the bureau or a personal problem from the point of view of the employee. His attitude is constructive and wholesome. He is always friendly, courteous, modest, tolerant, and approachable. His manner and time-tested integrity inspire confidence. The result can be seen in his relations with the bureaus or in the enthusiasm with which younger employees of the Office of Personnel avail themselves of the welcome they always receive in his office. By temperament and scientific training, he is deliberate, sometimes too deliberate to please those wanting speedy action. He is not an aggressive individual in the sense of being a driver or, in the current federal vernacular, a "ramrod." He is an advocate of patience and persuasion. That he has the courage of his convictions, however, is illustrated by an interview with a former Secretary. After an exchange of divergent points of view, the Secretary exclaimed: "Stockberger, the trouble with you is that you are not a politician." "Thank God for that, Mr. Secretary!" the Director replied. A strong clue to the correct appraisal of his personal qualities is found in the attitude of his former staff members and his intimate scientific associates in the Bureau of Plant Industry. One of them summarized it as follows: "We not only respected him; we had positive affection for him."

The Organization

THE Departmental Classification Officer soon became the center about which many embryonic personnel activities began to cluster, partly because of his personal qualities and partly because of the nature of his function. Classification work required consideration from a departmental point of view, cutting across all bureaus. It required knowledge of positions and inevitably involved problems of organization. It meant numerous relations with bureau officials and employees. Further-

more, it provided the central staff with a basic type of personnel coordination which might otherwise have been slow in developing in a department imbued with a strong spirit of bureau autonomy. Dr. Stockberger "spoke the language" of the bureau chiefs. He also got results. Ninety-seven per cent of the original classification allocations recommended by his staff were approved without modification by the Personnel Classification Board.

It was natural, therefore, that in his desire to be relieved of numerous questions concerning the treatment of employees the Secretary should turn to his Classification Officer. One of Dr. Stockberger's associates says the classification task was "similar to the breaking open of an old sea chest, in the number and degree of personnel problems that unfolded and became exposed to the light of day as the personnel classification work proceeded." Soon after the work began, the Secretary called in Dr. Stockberger, pointed to a huge pile of promotion recommendations, and asked him to devise a departmental promotion policy. The ultimate result was a basic salary advancement policy which restricted the Secretary's personal consideration to the determination of the pay roll percentage to be permitted for promotions and returned individual promotion decisions to the bureaus, with review by the Office of Personnel. Questions concerning the highly controversial problem of patents covering discoveries of employees, of paramount importance to the scientific personnel, were either referred to the Classification Officer or his advice was sought on them. Personnel administration was beginning to take shape.

The next logical step seemed to be the consolidation of the "Salary Classification Office," as it came to be known, and the "Office of Personnel," which, as the lineal descendant of the appointment clerk, processed appointment papers, kept records, and transacted business with the Civil Service Commission.

Talk of consolidating personnel work was

coupled with discussion of consolidating financial functions, which were even more badly scattered. Years of accretion and gradual evolution had left in the immediate office of the Secretary nine offices and divisions concerned with problems of personnel and finance. A tremendous amount of detail and service work came into the Secretary's office. The undesirability of this organization was obvious to the Secretary and many of his advisers. Dr. Stockberger and William A. Jump, Budget Officer and Administrative Assistant to the Secretary, became exasperated with the delays and lack of coordination caused by this system, and began looking for a remedy.¹

With the assurance of the new Secretary, William M. Jardine, that all necessary authority would be delegated, these two men finally came to the conclusion that it would be preferable to have all functions combined in one office. Consequently, on April 7, 1925, the Secretary issued an order consolidating the nine offices in the new Office of Personnel and Business Administration.² Dr. Stockberger was designated Director and Mr. Jump Assistant Director. Internally, the Office was divided into two branches: the Branch of Personnel, which included the Salary Classification Office, the old Office of Personnel, and part of the Office of Inspection; and the Branch of Business Operation. In actual practice, Dr. Stockberger and Mr. Jump both conferred directly with the Secretary; personnel and finance were generally kept separate. Dr. Stockberger's interests and efforts were largely concentrated on personnel although it was his final responsibility "to supervise and coordinate all departmental business activities, including personnel administration, budget, fiscal and accounting matters, purchasing of supplies and equipment, traffic, housing, etc."³

¹The career of Mr. Jump, now Director of Finance of the Department of Agriculture, is briefly outlined in A. W. Macmahon and J. D. Millett, *Federal Administrators* (New York: Columbia University Press, 1939), p. 47.

²U. S. Department of Agriculture, Secretary's Memorandum No. 530.

³*Report of the Secretary of Agriculture, 1925, p. 31.*

According to the secretarial order, the Director was to "advise with the chiefs of bureaus and offices on matters of personnel and business administration involving activities under their supervision" and to seek to improve such activities throughout the Department.

The creation of this office was a landmark in the history of personnel administration, both inside and outside the Department of Agriculture. It brought together all important personnel functions and centered responsibility for them in one place. It made the Director of Personnel a staff aide of the Secretary. It gave him rank equal with bureau chiefs and authority to function within the decentralized organization of the Department by assisting, advising, and facilitating the operations of the bureaus. It went a long way toward putting personnel administration on a secure footing from eight to fourteen years before other agencies of the federal government took similar steps. This organization continued until June 1, 1934, when the Office of Personnel and Business Administration was split into three parts, one of which retained the title "Office of Personnel," to "facilitate the handling of the additional work occasioned by the great increase in the personnel and in the financial operation of the Department."⁴ Since that time, the Office of Personnel has been a separate organizational entity although still within the Office of the Secretary for appropriation purposes.

The Philosophy

DR. STOCKBERGER's philosophy of personnel administration places a great deal of emphasis on the kind of relations the personnel office maintains with other organizations, both inside and outside the Department. It conceives of the central personnel office as the policy-determining office, the pace-setter and coordinator, and the

⁴U. S. Department of Agriculture, Secretary's Memorandum No. 646, May 17, 1934. On June 30, 1934, there were 38,623 employees, almost double the number in 1925, when the Office was established. The figure has more than doubled since 1934.

clearing house on all personnel matters. It favors the maintenance of strong bureau personnel offices and even regional personnel offices in the field wherever possible. In order to maintain uniformity in certain personnel fields and to ensure that departmental policies will be respected, the central personnel office should have certain essential controls, such as review of promotions and classification allocations. Control, however, must not be the chief technique. It must be the last resort. Principal reliance should be placed on sincere and truly cooperative relations with the bureaus, or operating agencies. They are to be served, not "told." If they must be given a "No," it must be given as an inescapable requirement of the facts in the situation, not as an *ex cathedra* statement of the Director of Personnel. Although a personnel director needs to be able to make decisions, he must also be willing to compromise between what he would like to accomplish and what can be done under existing circumstances. The work of the bureaus should be facilitated. After all, what they are doing is what the Department exists for; personnel administration is only a managerial tool. The man who warned the Washington botanists that science is of no value as an end in itself saw personnel administration in the same light.

Because of his twenty years of experience in the Bureau of Plant Industry, Dr. Stockberger has always been aware of the fact that there is a bureau point of view as well as a central office point of view. During his thirteen years as Director of Personnel he made every effort to bring these points of view together in amicable understanding. Where large questions were involved he called conferences of bureau representatives for thorough discussion and agreement before policies were formulated. Questions of less general application were usually discussed with representatives of affected bureaus by such informal means as telephone conversations and luncheon engagements, and the groundwork for a solution was securely laid before "orders" were given.

There should be, in Dr. Stockberger's opinion, two-way communication between those who give orders or announce policies, and those who receive them. It enables the former to utilize the wisdom of all and the latter to understand why the order or policy is necessary, a prerequisite of willing compliance. Despite the grumbling which usually accompanies the democratic process, all participants usually come to a recognition of the common good. Without democratic consultation the common good cannot be known. These convictions explain Dr. Stockberger's cautious use of interoffice memoranda. They are, for him, a means of transmitting information, not a means of issuing orders.

The first-line supervisor is an exceedingly important figure in Dr. Stockberger's conception of personnel administration. The bureau personnel staffs are an important link in the chain, but the supervisor is the final link which connects personnel administration with daily operations. He is in a strategic position where he can do much to make a broad-gauge personnel program successful or unconsciously emasculate it through inertia, indifference, or lack of understanding. He is especially closely related to that most nebulous, yet most important, phase of personnel administration—human relations. It is Dr. Stockberger's conviction that ninety per cent of employee relations problems are the result of faulty supervision. The supervisor may ignore the other fellow's point of view and simply give orders, or he may fail to exercise critical examination of his own supervisory techniques. Dr. Stockberger suggests that the supervisor needs to set aside his better and more critical self to observe his other selves in their dealings with subordinates. The officer who believes he can get the best results by berating his subordinates on the slightest provocation "is merely burning incense on the altar of his own self-conceit."¹

¹W. W. Stockberger, *As I See It* (U. S. Government Printing Office, Apprentice School, 1940), p. 10. This brochure of thirty-six short essays throws much light on the author's philosophy of life and administration.

Unfortunately, supervisors often fail to realize that there are tricks to the trade, of which the most profitable is the giving of praise when and where merited. In his 1936 report to the Secretary, the Director summarized his views as follows: "The results depend upon the nature of the relationship established in that narrow zone of contact between supervisor and supervised. Personnel administration will be successful to the extent that the line supervisors are made conversant with approved personnel procedures, and are held responsible for their understanding and use."¹

For these reasons Dr. Stockberger has always been keenly interested in supervisory training. Although not a great deal has been done about it, he has always felt convinced that both "the graybeards" and the youths should be trained, the former because of the arrogance of professionalism and the latter because of the lack of experience, which sometimes leads to the belief that supervision is simply "telling them." The man who has come to speak with authority in a particular field of knowledge often feels that he can speak with equal authority in every other field, including supervision. The training job, the former Director feels, is the responsibility of the central personnel office, because the bureaus are too busy with their immediate tasks and would, in any case, have too great a diversity of approach. Planning and leadership need to be centralized.

Dr. Stockberger is no less aware of the importance of the external relations of a departmental personnel agency than its internal or intradepartmental relations. In his dealings, as Director of Personnel, with the Personnel Classification Board and the Civil Service Commission, he always expected substantially the same relations as those between himself and the operating bureaus of the Department: good faith, cooperation, and mutual consultation. It was always his policy in dealing with these agen-

cies "to put the cards on the table" and not resort to smart tricks. Reverting to the scientist, he was willing to let the facts speak for themselves. The confidence established in this manner paid abundant returns. While he had no definite public relations program for the work of his Office, he attained the same result by his wide personal and professional contacts. He joined many professional organizations and actively participated in meetings devoted to personnel problems when he was almost alone in representing the federal government. He addressed many groups on the personnel work of the Department, never in a promotional manner but in an unassuming exposition of administrative needs and remedies. Although he never attempted to popularize personnel administration, he took advantage of all opportunities to spread knowledge of its practical features among students and practitioners of public administration.

While these conceptions of organization and relationships set up the transmission lines over which the personnel program could be carried to the point of operation, a philosophy of human relations determined the content and emphasis of the program.

In response to amazement recently expressed at Dr. Stockberger's transformation to an administrator after being a scientist "all his life," one of his old colleagues quickly replied, "Yes, but he was also a humanitarian all his life." This is a significant statement, because his major contribution is in the field of human relations and the stimulation of employee morale. The importance of human relations, he said in a recent interview, is hard to overemphasize. No personnel worker is fitted for his position, unless it is a position of continual routine, if he lacks a sympathetic appreciation of human feelings, motives, and aspirations. From the administrative triad of men, money, and materials, Dr. Stockberger singles out men for special treatment. Unlike inanimate materials, men think and react; consequently, the same combination

¹ U. S. Department of Agriculture, *Report of the Director of Personnel*, 1936, p. 1.

of human resources may give vastly different results, depending on morale, attitude, social organization, and a host of imponderables. Condemning autocratic administration, he once wrote: "Administration becomes democratic when it is motivated by supreme respect for human personalities."¹ It was this sense of justice, hatred of class distinctions, keen awareness of human sensibilities, and zeal for seeing the other fellow's point of view and doing something about it, if necessary, that enabled Dr. Stockberger and his staff to lift personnel administration from its old routines. The Director praised the reorganization of the Office of Personnel in 1934 for making "it possible to give more consideration to the development of morale and the improvement of human relations within the service."²

The attitude and policy of the central personnel office are reflected in the bureaus. It is, therefore, the task of the central office to formulate personnel relations policies, establish disciplinary codes and standards insofar as possible, insist upon equity and fairness in all personnel actions, and provide unbiased counsel for all employees who desire it. Some problems require solutions worked out with individuals; some require solutions worked out with groups. To deal with individuals, the central office needs a father confessor or employee relations counselor, to whom any employee may go for a sympathetic hearing and for advice. During most of his time as Director of Personnel, Dr. Stockberger served in this capacity. He knows, therefore, the great psychological value which the employee derives from an opportunity to "get it off his chest." He also appreciates the need for some means of counsel and conciliation above the bureau level, removed from the chain of command, so that confidence can be inspired by freedom from fear of retaliation.

Since we rely on group action, we should respect group reaction and gear the person-

nel machine to take it into account. This is another of Dr. Stockberger's fundamental assumptions. As Director of Personnel, he did not hesitate to deal with groups, including employee unions. Indeed, he was a member of the National Federation of Federal Employees in its early years. After he became Director he did not consider it wise to belong to an organization on whose problems he might have to pass official judgment, but he always defended the right to organize and took up the cudgels in defense of employee unions when they were quite unpopular in certain quarters.

Also because of this interest in the employee's welfare the Director of Personnel became an enthusiastic sponsor of an amazing variety of employee activities which would provide amusement, recreation, and cultural advancement after working hours. He was an exponent of personnel administration which has regard for the whole life of the individual. Although conscious of the gain to the Department in terms of morale, he was sincerely interested in making life as fruitful, interesting, and happy as possible for every employee. In doing so, he scrupulously avoided all actions which might give rise to cries of paternalism.

The Director and the Office of Personnel never stood in the forefront of employee activities. He did not consider it good management for administration to take the leadership in what was essentially an employee affair and an employee responsibility. His attitude was, "If you can't make it go, it will have to die." Nevertheless, the Office of Personnel exercised its influence in the background. It gave its official encouragement and sometimes the use of official facilities. Memoranda signed by the Director often announced extramural activities to bureau chiefs and asked cooperation in making the undertakings Department-wide. One of his most prized possessions is an inscribed gold medal given him by the Athletic and Recreational Association on the occasion of his election to honorary life membership in that organization. The

¹W. W. Stockberger, *As I See It*, p. 13.

²U. S. Department of Agriculture, *Report of Director of Personnel*, 1935, p. 1.

medal shares honors on his watch chain only with a Phi Beta Kappa key.

An examination of the Director's official papers of 1934 and 1935 shows the following: an inquiry to all employees pointing out the advantages of group hospitalization and taking a poll of prospective members; a memorandum to chief clerks asking them to name bureau representatives of the Information Committee, a group named to advise and assist new employees and help them find living quarters in or around Washington; a memorandum to chiefs of bureaus and offices outlining the merits of the Credit Union and asking that arrangements be made to inform employees through group meetings; a memorandum requesting voluntary contributions to finance the teams in the Athletic and Recreational Association; a memorandum to all employees announcing an organizing meeting of the Musical and Dramatic Guild; a memorandum to chiefs of bureaus and offices asking cooperation with the Rent and Housing Committee formed by employees to survey employee housing needs and devise solutions; a poll of employees on preferences of sports and other activities; and a note issued by the Medical and Health Committee, another employee undertaking, announcing a meeting and concluding, "Dr. Stockberger usually meets with us."

Dr. Stockberger is particularly proud of the Department of Agriculture Beneficial Association, formed by a group of employees on September 15, 1929, to provide economical group insurance for employees of the Department. As president of the Association from its inception to date, he has seen it grow to financial success, with a membership of approximately 14,000 and insurance in excess of \$20,000,000.

These extramural activities were considered of such importance that they were given a place in each annual report of the Director after 1935. "These activities," the 1936 report said, "have exerted a very wholesome influence upon the morale of employees, and have developed a more demo-

cratic spirit in their relationships. They have also made of the Department a pleasanter place in which to live and work."¹ Since 1936 the Office of Personnel, the Welfare Association, and the Graduate School have cooperated in issuing an attractive brochure entitled "Employee Activities."

Another result of this keen interest in employee welfare was the extension of personnel activities into the fields of safety and medical service. In 1937 a Division of Safety was created in the Office of Personnel to study the accident problem in the Department, install a uniform system of recording and reporting injuries, cooperate with the interdepartmental safety council, and conduct a program of safety education—a far cry from the twenty-year-old personnel routine of settling claims with the United States Employees' Compensation Commission! The Director's long personal interest in the development of group health plans through unofficial means began to find expression in 1935 and 1936 in plans for official medical service furnished by the Department. It was ascertained that during the calendar year of 1934, Washington employees alone were absent from duty 51,230 days on account of illness, with an estimated loss of a quarter of a million dollars to the Department. On the basis of these findings, the Director's report to the Secretary in 1936 concluded: "There are good reasons for believing that the establishment of a preventive medical service would result in a substantial reduction in the number of work days lost and an improvement in the general health of many employees now suffering, perhaps unconsciously, from remediable defects. For this purpose early provision should be made for the employment of a full-time medical officer and an adequate nursing staff."² Since Dr. Stockberger's retirement as Director, all emergency rooms (the first of which was established through his efforts) have been placed under the Office of Personnel and an adequate staff of nurses

¹*Ibid.*, 1936, p. 7.

²*Ibid.*, p. 2.

employed. Legal obstacles still block the employment of a full-time medical officer.

Although officials of the Department had been talking about training for decades, they were primarily concerned with pre-entry and on-the-job training. It remained for the central personnel office, under the guidance of Dr. Stockberger, to broaden the concept and encourage training in terms of the long-term needs of the Department. Plans were made for orientation courses for new employees, and for the training of older employees who find themselves in blind-alley positions or positions for which they are not fitted. Although a beginning was made, the fulfillment and extension of these training objectives have become major tasks for the present Director of Personnel. Perhaps most important of Dr. Stockberger's training interests, but one in which he admits little progress has been made, was his desire to inaugurate supervisory training and career training for positions at the higher levels of responsibility. He felt that this type of training would require knowledge of "the broader aspects of Department policy and administration," with heavy emphasis on employment psychology and employee relations, and "a systematic program . . . through which active-minded employees could acquire a better understanding of the fundamental principles of management and also broaden their knowledge of the interrelations of departmental operations and functions."¹

The Results

ON the basis of this philosophy, personnel administration slowly evolved from 1925 to 1938 under Dr. Stockberger's leadership. Many results have already been noted and, needless to say, progress was also made in many fields which have not been discussed here. Selection, placement, promotions, service ratings, position-classification, and personnel and disciplinary investigations all came in for attention. The importance of personnel research as an auxil-

¹*Ibid.*, p. 1.

iary function was recognized by Dr. Stockberger, although this aspect of personnel work was never developed as he thought it should be. He stated his view as follows: "The opportunity for a scientific approach to its problems is no less in personnel work than in the physical and biological sciences. Scientific studies of adequate personnel data should yield results of primary importance in determining the factors which condition the socially useful behavior of employees. Personnel research should be the guiding influence in shaping personnel policies, in the exploration of the motivation of our human resources, and in the direction of human effort toward the attainment of the objectives of our organization."²

An extended period of severe illness in 1937 and a continuation of poor health thereafter clearly made it inadvisable for Dr. Stockberger to continue carrying the heavy administrative burden which rests upon the chief of a major staff office in a large federal department. On July 1, 1938, he was appointed Special Adviser to the Secretary on problems of departmental administration. He was succeeded by Roy F. Hendrickson, Agriculture's present well-known and highly regarded Director of Personnel. In his new position Dr. Stockberger is free to operate in his ablest capacity—in the realm of ideas. He is now working on a history of personnel administration in the Department of Agriculture. It was the desire of Secretary Wallace to preserve for the present and future benefit of the Department those invaluable public administration materials which so often lie unassembled in the minds of successful administrators. Although he recently passed the age of voluntary retirement, Dr. Stockberger has no intention of quitting. Thirty-seven years of federal service are not enough so long as he can still be useful. He feels better working.

Dr. Stockberger, in one capacity or another, has guided and developed the personnel policies of the Department of Agriculture for almost twenty years. During his

²*Ibid.*, 1937, p. 1.

thirteen years as Director of Personnel, he pioneered in the personnel field. His exploration was well planned, even cautious, but proof of the wisdom of his leadership is the fact that virtually every new advance has been held and subsequently used as a foothold for new advances. It is doubtful whether anything less than the happy combination of his particular temperament and his scientific background would have succeeded in a department then dominated by its scientific personnel and known for its large degree of bureau autonomy.

Although his contribution to public personnel administration cannot be measured in precise terms, it is obvious that Dr. Stockberger's influence was tremendous, not only in the Department of Agriculture but also in personnel administration generally. On the occasion of the Director's change to his present position, Secretary Henry A. Wallace wrote: "The development of work in the field of administrative management in this Department under your leadership has been outstanding."¹ On behalf of the Department, the Secretary expressed appreciation for Dr. Stockberger's "long, loyal, and efficient service" and for his "contribution to improved coordination and central administration."

As Director of Personnel, Dr. Stockberger helped develop interest in and respect for Department policies as distinguished from bureau policies. He found the personnel function concerned almost exclusively with routine operations, record keeping, and the maintenance of orderly procedures. He left it a vital staff service with a forward-looking program emphasizing human relations and pledged to "sponsor and promote every legitimate measure which will contribute to the efficiency, morale, and general welfare of our employees."² The era of papers had given way to the era of persons.

His personal and unofficial influence

within his Department would be hard to overestimate. He exemplifies the career service, and eloquent evidence that he has always lived up to the best traditions of that service is found in letters of appreciation received from high-ranking political appointees on the occasion of their departure with the shifting political tides. Even a large, and perhaps seemingly impersonal, federal department finds its level and takes its general character from the persons brought together under its banner, particularly from those persons whose characteristics mark them as leaders of their fellows. Dr. Stockberger was such a leader. His counsel was widely sought, and still is. William A. Jump, Director of Finance, once aptly observed: "In a place with more 'doctors' to the square yard than probably any other place in the world, it is pretty generally understood when one says, 'Have you seen the Doctor?' he means, 'Have you seen Dr. Stockberger?'"

He was instrumental in establishing on a broad and enduring basis the first central personnel agency in an operating department of the federal government. He carried personnel administration for the first time well beyond the negative and restrictive features which often characterize merit system legislation. He inaugurated a constructive personnel program specifically aimed at facilitating, rather than controlling, departmental operations. Dr. Stockberger's personal prestige and the reputation of his work have undoubtedly exerted a great influence outside the federal service. Many phases of personnel administration which are now coming into mature practice had their roots in the thinking and experiments that took place in the early days of Dr. Stockberger's leadership in this field. His name has become the symbol of personnel pioneering.

All this leaves the former Director somewhat puzzled. With his usual modesty, he attempts to explain it away. He remonstrates that the praise must be shared with a host of colleagues and co-workers. He con-

¹Memorandum to Stockberger, June 10, 1938.

²U. S. Department of Agriculture, *Report of the Director of Personnel*, 1936, p. 1.

siders his career as one which happened to fall at the confluence of several favorable circumstances. As proof he refers to the Classification Act, to the influence of the scientific personnel, to the sympathetic support given by the Secretaries of Agriculture, to the earlier existence of embryonic personnel functions, to the Secretary's immediate need in 1925 of some means of relief from

innumerable details, and to the rising tide of interest in personnel matters. The truth of these statements, of course, detracts nothing from the credit due the man who was able to marshal these factors and forces and mold them into a pattern which has made an important permanent contribution to the development of public personnel administration.

Research and Planning as Functions of Administration and Management

By H. S. PERSON

Consultant in Business Economics and Management

I TAKE planning to include definition of the objective of an enterprise, formulation of policies governing its achievement, designing of a system of procedures whereby the objective is achieved precisely and with minimum waste of the energies employed, and in most instances giving initial direction to execution, in which respect it overlaps execution. Planning is dynamic; it is a continuous process. Although in certain matters a plan may appear to be made once and for all time, as in the design of a public park, even in such instances permanence is relative because unforeseen variables eventually enter and there must be rearrangement.

The planning with which we are here particularly concerned—that of a live and active business enterprise or public agency—is dynamic in the highest degree because it involves continuing adjustment of and to a ceaseless stream of variables, some of which are unforeseeable and others foreseeable but indeterminate. The beginning of the understanding of planning is the realization that it is concerned generally with dynamic situations and is a procedure for minimizing the frictions, confusions, and losses arising out of variability. Its purpose is to substitute predetermination for casualism insofar as particular circumstances and human capacity make this practicable. If foreseen, some variables can be avoided, others modified, and the remainder prepared for.

The term research used in connection with planning means primarily purposeful, *ad hoc* research, but it does not neglect fundamental research. Of course, funda-

mental research is essential to the definition and redefinition of an objective and to the discovery of new ways and means of achieving it; but the great bulk of the research involved in day-to-day and week-to-week planning is homely *ad hoc* research stimulated by a succession of specific problems arising out of the constant impact of variables on the situations being managed.

Also we must be generous and permit the term research to cover some very simple fact-finding—superficial, some scientists might say. But we must be realistic; the purpose of research for planning is not primarily to discover fundamental truths but to make each of the stream of acts constituting management the best possible under the circumstances. A problem arises in the morning in respect of which an executive must make a decision before he leaves his desk for the day. That problem can be given only six or eight hours of intensive study, although it is known to be of a nature that calls for six weeks or six months of study. But the best study of it that can be made within the six or eight hours should be made. The time factor in a dynamic situation determines the nature and direction of the research. Those investigations that have time limits of a day, a week, or a month are functionally of the highest rank in planning and should be given appropriate recognition.

Planning expresses no preference for a particular mode of research. It is concerned with variables; its problems vary, and therefore the modes of research vary. Planning employs as required every known mode of investigation. It draws on the techniques of

all the sciences. The specific problem and the time factor determine the type of research employed at a particular moment. Planning tries always to be inductive, but at times it may have to be deductive. It may inspect many units of observation or it may take samples. It may make superficial observations, or a vast array of quantitative measurements. It may conduct a few try-outs, or it may employ truly scientific experimentation. Let us say that it strives to employ in any instance the most pertinent and satisfying modes of research, but is governed by the time factors of its dynamic environment. Whether an investigation is scientific is, after all, determined by the investigator's mental attitude and intent under the limiting circumstances, rather than by the array of facilities and procedures. Otherwise, after one has visited General Electric's House of Magic he would have to say that Faraday was not a scientist.

Administration and Management

WHEN the title of this paper was first suggested it included the word administration but not the word management. I added the word management purposefully. I believe a clear understanding of the differences between administration and management is essential to fruitful discussion of the nature and technique of planning.

Three terms would perhaps be more precise: direction, administration, management. By direction I mean determination of the objective and of most general policies. In a large business it is the function of the board of directors as representative of entrepreneurial interests. In government it is the function of the Congress and the President as representative of the citizenry; in a state, of the legislature and the governor. At the other extreme is management—from a good old Latin word meaning fingering, or manipulation. Management manipulates facilities—plants, tools, machines, materials, and labor. It is concerned with the detailed conduct of operations. In a position between direction and management is administra-

tion—also from a good old Latin word identifying the function of the representative of a central government in a province, not concerned with the management of the province but with guardianship of the interests of the empire. The president of a business enterprise, the executive offices of a government, or the head of any public agency is the administrator. He is the connecting link between direction and management. He sees to it that management is conducted within the frame of the direction. He translates direction and general policies into more specific policies and programs. However, because many presidents of business enterprises are on boards of directors and are at the same time general managers—are really three functionaries in one person—it appears expedient to limit our terminology to two words—administration (including direction) and management.

While I believe that clear thinking about planning is possible only with such intellectual tools as are represented by these words, identifying clearly defined concepts, it must be admitted that there are difficulties attending their use. Among businessmen, and in government as well, all these words are used, but without uniformity of meaning. In one place administration, for instance, is given a meaning as I have defined it; in another place it is used to identify the functions of a chief clerk.

Also in government confusion is made worse confounded by such factors as these: a constitution with its division of responsibilities and authorities and its checks and balances; court decisions; and customs that have developed in the relations among the flexible parts of organized government. Yet if one thinks of government as the organization of a people for the conduct of public affairs, and thinks of it in terms of functions, the three basic functions of direction, administration, and management stand out clearly. We should think and plan in terms of logical functions, but in implementing plans we must translate our scientific language into the language of those on whom

we must rely for execution, and we must even modify our plans to meet established and stubborn habits.

Administrative and Managerial Planning

BOTH administration and management plan, but their plans are on different levels and generally employ different techniques. The planning of administration establishes a frame within which management plans. Administration does not concern itself with details of operations; on the other hand management accepts administration's frame of objectives and basic facilities. General Motors administrative planning establishes a frame for Buick or Delco or Yellow Cab managerial planning. Each of these within its frame plans its operations. In turn, Buick local general administration plans a frame within which the several departments do their managerial planning. The head of a government department establishes, or should establish, a frame or field of action for each bureau; within that frame the bureau should plan its operations in detail. It is the development of this technique of frame-within-frame of planning during the past quarter century that has made possible a harmonizing of centralization and decentralization, and the successful conduct of huge enterprises. Where huge enterprises have failed or faltered, the incompetence of the planning in respect of one or more of these frames has been responsible and has neutralized effective planning in the other frames.

While every mode of research that the sciences have devised is available to both administration and management, particular modes of research are more suitable for the one than for the other. Because management is concerned especially with physical facilities and their manipulation, with human facilities and their supervision, and with innumerable unit situations, it employs the experimental method more than administration can. Management, being

concerned with operations and with the constant flow of variables and their problems, must frequently resort to hasty investigations because of time factors. Administration, on the other hand, because of its concern with direction, general policies, the long run, and situations of wide scope, cannot employ the method of experimentation widely, but it can utilize the historical method and quantitative measurement of trends more than can management. Any mode of research is available to both administration and management, but the function of each and the attendant circumstances make a particular mode the more suitable or expedient.

Personnel for Planning

THIS distinction between administration and management leads to an additional consideration. What type of individual is most suitable for one or the other field of planning, for designing the planning, and for executing the planning? Of course planning, wherever its locus, calls for a different type of individual from that called for by executive work, but not so different as many people assume. The planner must be temperamentally interested in details, and have capacity for analysis and synthesis. He must be an artist with an instinct for design. He must perceive and understand the meanings and relations of things. This vision must extend beyond the immediate situation. The executor, on the other hand, is concerned primarily with the problem of the moment and with getting things done. He must be dynamic and capable of persuading people. Generally he is impatient of details; his eyes are always on the time factor and the result.

Yet it is superficial to say that the executive must be an extrovert and the planner an introvert. I believe the planner also should be an extrovert, an artist with the temperament of a Whistler. We must distinguish three subfunctions within the function of planning: research, design, and implementation. Now the finding of facts

and their analysis is a suitable responsibility for the introvert, but design should be done by one on the border line at least between introvert and extrovert; and I believe the implementation (which is dynamic because it adjusts plans to concrete situations, the initial step of execution) is best done by one fairly extroverted, one who can inject into the plan and the planning procedures that dynamic quality which comes from joyous contact with variable persons and variable things. Planning is as dynamic a function as is execution. We distinguish properly for convenience between planning and execution, but the final stages of planning are the first stages of execution.

As a nation we have educated and trained a staff of fact-finders and fact-analysts, but not of plan designers and implementers. The profession involving all-round capacities does not yet exist because education, training, and experience have not yet integrated into a sufficient number of particular individuals all the essential capacities. I believe that those trained in the political and economic sciences are more competent to design plans on the level of general administration than on the level of management; those trained as engineers, more capable on the level of management than on the level of general administration; and those trained in schools of business administration on the whole more capable than either of the others where both levels are combined in one responsibility.

When it comes to the dynamic final stages of planning—the actual planning that directs towards accomplishment of objective the constant flow of variables in an operating situation—there is the rub. No formal training yet devised gives the experience, discipline, and aptitude for this phase of the work. The best school for development of this capacity is service in the planning department of an industrial concern, which may thus afford a graduate school for candidates formally trained in fact-finding, analysis, and design. As for public agencies, the best move today for any of them is to

follow the practice of industrial concerns and bring in as part-time consultants industrial engineers of proved competence. These experts could soon create out of personnel represented by the graduates of universities and technical schools a personnel for public service of real ability in the conduct of planning operations, as distinguished from fact-finding and analysis and the designing of plans. I know of one public agency that has pursued this policy successfully. Some day we shall, I hope, have in our government bureaus skilled technicians in planning whose education and training have been an integration of the social sciences, and engineering and industrial experience.

Postulates of Planning

I SHOULD like now to bring to those interested in public affairs some of the experience of private industry in planning. This should be worth our while, for in the final analysis there is no more technical operating difference between a public and a private undertaking than between some kinds of private undertakings—than between, for instance, an automobile plant and an insurance company or bank. Of course, as I have already said, the constitution, laws, and customs have developed other than technical operating differences. But if industry has generalized its experience in a manner that covers both the automobile factory and the insurance company, these generalizations should have very great value for public enterprise. After all, purposeful effort is purposeful effort, whatever its particular objective and external form. For the sake of brevity I shall present this experience somewhat in the form of postulates.

1. The beginning—the foundation, the *sine qua non*—of effective planning is complete and clear specification of objective by general administration. The unknown cannot be planned; that which is not clearly understood cannot be well planned. Effectiveness of planning varies directly with

completeness and clearness of understanding of the goal. The beginning of good general administrative planning is a clear definition of objective; and the remainder of it rests on that definition. And there can be good managerial planning only if there is a directive frame of good general administrative planning.

This postulate reminds us at once of a basic difference between public and private enterprise. The private enterprise defines its objective with a considerable degree of precision—an automobile company intends to produce automobiles; a textile mill, certain kinds of textiles; a bank, profits from service as custodian of funds, exchange, short-term loans, and investment. In contrast, read an act of the Congress establishing a department of the government or some other public enterprise. How vague it is; how much is left to the imagination of the first chief, and of each succeeding chief, modified by guesses and opinions of the General Accounting Office and the Attorney General's office. Not only does the head of a department have to guess, but the chiefs of his bureaus have to guess, and a greater or less degree of guessing passes all the way down the line. The starting point of effective planning and improved management in public affairs is on this level and at this point—more specific statements of objectives in the acts of the Congress, within this frame a much more comprehensive and definite statement of objective by each head of an agency, and within this frame very definite statements of subobjectives by the chiefs of the component bureaus.

The public agencies in which a considerable degree of planning and of economical management has been developed are those whose objectives lend themselves to relatively precise definition; for instance, the Army, the Navy, the special activities of the Corps of Engineers, the Tennessee Valley Authority, the Public Works Administration, and the Rural Electrification Administration. Planning is possible, to a greater degree than is at present attained, in all

public agencies. I believe that, as a consequence of the pressure of circumstances, there is a ferment of planning thought and endeavor in many of the agencies in which at superficial glance it may appear impracticable.

2. After the objective has been defined the next step in effective planning is for general administration to formulate broad policies governing its achievement. Every enterprise has relationships; these relationships must be evaluated and policies regarding their continuance or modification must be established. For instance, you decide to make a low-price automobile—what is your policy of labor relations and wage rates? Or the government decides to build a dam to promote navigation and incidentally generate electric energy—what is its policy of relationship with private industry? We may perhaps say that this second stage of planning is the determination of relations and the adjustment to environmental factors affecting or affected by achievement of objective.

3. The third step in planning is the joint analysis, in the large, by general administration and management of the technical ways and means of achieving the objective within the frame of formulated policies. There are variables and alternatives, different ways of reaching a goal. If an industry has decided on one policy of labor relations, the sweatshop system is not an available factor. If a government has decided to maintain the farmer's independence of action in the management of his farm, certain ways and means of aiding him are shut off. If a government does not believe that capacity for offense is the best defense, or does believe that it has dangers which should be avoided, the ways and means of building and operating a military establishment are different from what they would be if other views were held.

4. Following this analysis of ways and means in the large comes a task of synthesis as the next major step in planning. Administration, with the technical advice of

management, sets up an organization. Organization is a resultant of the general analysis of ways and means. It is a frame of relationship of basic essential functions. Individuals are not yet involved. This is the frame of the functional structure within which management is to carry on its operations, and it defines the area of management's operations. It is a tool of management, as Oliver Sheldon has said, but it is also a limitation on management's field of activity. Observe that organization follows analysis of ways and means in the large, but is functional and precedes the assignment of individuals to particular responsibilities.

5. Then follows the most detailed analysis of ways and means by management and subsequent additional synthesis. This synthesis results in specifications of the flow of work and of procedures. These procedures are given qualitative, quantitative, and time characteristics. This is the sector of planning design identified in management literature by the term standardization. There result standard component objectives, standard facilities for producing them, and standard modes of manipulation—all with standard qualities, standard quantities, and standard timing. At this stage are designed and incorporated every gear and rod of the organization or machine that management is to operate.

6. Next is the assignment of responsibilities to individuals. To be sure, there have been preceding assignments as different inclusive functions and responsibilities at higher levels have been determined; but it is at this stage that assignments are made to most of the individuals concerned, on whose qualitative and quantitative suitability precision and economy of actual operations ultimately depend. It is the people at machine, bench, and desk whose individual precisions and economies make in the aggregate institutional precision and economy. One may organize and reorganize and again reorganize at the top or in respect of the general frame but, except through modification of objective, he will not thereby effect major

economies in doing the things to be done until he has studied and analyzed every detailed activity and established a standard and commonly understood flow of work and system of integrated procedures. Procedural relations and technical organization, and economies resulting from the aggregate of unit economies, are built from the bottom up.

7. Responsibilities having been assigned under the conditions herein set forth, the dominant force becomes the sense of *responsibility* to perform in accordance with predetermined procedure instead of *authority* to perform in accordance with individual guess and whim. Where such responsibility becomes dominant, the need of complete and clear understanding also becomes dominant, and management becomes chiefly a process of giving clear understandings. Background education of workers becomes important to management; specific training and instruction become a major part of its responsibility; the issuing of daily instructions as to what, how, how much, when, and where—all processes of giving clear understanding—constitutes the essence of management. Every worker is a cooperating executive, executing his part of the whole, because he understands what the part is and what part it is. He is part of a cooperative group in which each member is engaged in an individual activity, but in which the individual activities are supplemental one to another and contribute precisely and economically to a predetermined result because all are coordinated through design. From detailed work of this kind, not from over-all manipulations of structure, comes precision and the greater economy. There are two points at which important economies may be effected: at the administrative level in decisions concerning objectives and the elimination of undesirable or unnecessary or too costly objectives; and at the management level in the establishment of a continuous, precise flow of work in which every detailed act is in itself the most precise and economical possible, and in

which every separate act is given its proper relationship.

8. Finally, planning must provide for measurement of results of operations and for publicity of the results—unit by unit, section by section. This checking of progress is of major importance in two respects. First, it shows where misunderstandings are and gives management its opportunity to correct them before they have seriously affected the quality and volume of work. Second, it serves as the stimulus to qualitative and quantitative excellence. Publicity, through daily output analyses and similar documents, awakens one of man's strongest impulses—pride of achievement. In planned management, provided standards are reasonable and just and measurements objective, the individual's pride of performance takes the place of the old type foreman's pressure technique with its tongue lashing or blow of the fist.

Planning and Execution

IT is admitted that I have at moments been discussing planning as a function of administration and management as though it were administration and management. This is not entirely an accident. Planning and managing are as vitally interconnected as are Siamese twins.

There is too prevalent a habit of thinking about planning and execution as wholly distinct: that the planning unit plans some line of action and then forgets about it, the executors taking up where planning ended. Such thinking is unrealistic and misleading.

At this point a distinction should again be made between the research for planning and design of a plan, and the implementing or planning itself. The research must be detached and objective; and the procedures and standards established by it must be the best in terms of the factors of the situation, and impersonal. The researchers for planning may assume the attitude that they are through when they have established the standards in terms of factors of the situation; but they soon discover that a dynamic situa-

tion is always changing and they must always be on the jump to keep up with circumstances which compel the modification of established standards and the establishment of new ones. But they are through once standards are established, in the sense that they are not concerned with the actual operations.

There is, however, a part of the planning function which is actively concerned with operations, and which functionally overlaps execution, although it is commonly assumed to be distinct. For instance, incoming orders in a business—to which correspondence, memoranda, other documents, and other impulses to action in a government bureau may be considered analogous—come first to the planning room and from there are sent on to the functionaries commonly identified with execution. The supervisors in the planning room in scientific management are rated as foremen, above the men at machines in the shops, and on a par with the foremen actually in the shops.

This executive aspect of the planning function is made necessary by the fact that the input of impulses into the organization is full of variables, while the flow of work and the procedures of the operating organization demand a minimum of variables. The control sector of the planning function is, as it were, an analyzing and synchronizing chamber into which flow the variable impulses—orders or documents—and which analyzes them, puts them into homogeneous groups, and passes them on to operatives. For an oversimplified example: if orders for ready-made suits of clothes went one at a time directly to the cutting room, that room would be overwhelmed by variability, and would find itself in a jobbing business. But if all orders for suits go first into a planning unit and are there analyzed and grouped, the cutting room can be given instructions for finishing suits in lots of a hundred or more to the style and size. Variability has been analyzed and synthesized out. Thus execution really begins under the aegis of the planning function.

In fact, I have never observed effective planning where the separation of planning and execution has been considered literally, that is, where the general managers have said to the planning unit, "You may suggest, but you have no authority to compel," and to executing units, "The planning people will only make suggestions; you may adopt them or not, as you like." I have seen cases of effective planning in what appeared to be situations of this sort. But it was appearance only. The real facts of a situation of this kind, where planning is effective, are that both the line and planning head up in the same individual, and no matter what the surface appearances, he sees to it that plans are followed by the line. If the planning is not good, he brings in new planners. If the planning is good, the general manager sees to it that the plans are followed. He is not spending money for planning as an inconsequential amusement. He may say out loud to the executors that they do not have to "take orders" from the planners; but he also says *sotto voce*, "If you can't recognize and adopt a good plan that will save money, I'll get someone who can."

The wise procedure, however, is so to organize planning that the research sector is engaged in research and standardization only, but the control sector of planning is understood to be the beginning of execution—the chamber where variability is converted into relative stability for operation purposes.

Planning in Public Enterprises

IT is coming to be recognized that the introduction of planning into the conduct of public affairs is a necessity. We could get along without it during the pioneer period of sparse population, relatively simple social and institutional relations, and a tremendous backlog of natural resources and national income that was able to withstand any amount of waste. Today we are a nation of 130 million people, our relationships and institutions are complicated, division of labor and specialization have brought about

delicate and critical balances, free social capital of unexploited resources has disappeared, and while the national income is increasing, the costs of government are now increasing more rapidly. When our federal government reached the billion dollar mark people sat up and took notice, but our exuberance was still such that we were satisfied with the explanation that this is a billion dollar country. Today our ordinary federal budget is five billion dollars, and our extraordinary federal budget, not including debt service, is nine billion. On top of that are increasing state and local government budgets. We now have to give attention to the relationship between cost of public affairs and national income; and in that connection, attention not only to potential increase in national income, but also to potential decrease in the rate of increase of the costs of government. Decrease in the rate of increase of the costs of government can be achieved only by planning; by administrative planning that selects and relates and gives priorities to objectives, and managerial planning that promotes the performance of each unit executing acts with maximum precision and minimum cost.

If we are wise we shall in public activities distinguish between administrative planning and managerial planning. There must be a general administrative plan for the federal government as a whole, and for each state as a component of the federal system. There must be a general administrative plan for each major agency of the federal government and of each state government. There must be detailed, engineering-type planning for the conduct of the operations of each agency of the federal government and of the state governments. And all of these plans must of course be coordinated, plane above plane, frame within frame, sectors nested together like an oriental set of boxes neatly fitted within boxes.

Planning is the vital factor in both administration and management. If the objectives are evaluated and related, if all policies are brought into a consistent pattern, if the

scheme of operations of each component agency and of each of its units is properly designed—then coordination, precision, and economy become practically automatic.

I am convinced that planning will be one of the vital factors in the salvation of democracy, provided democracy does not complacently wait too long. Our societies are becoming so complicated that continuation of unplanned individualism will be fatal, that superficial planning may be dangerous

because inadequate. It is possible for a society to plan and remain democratic; I do not believe it possible for a society to remain confused and economically unstable, and remain democratic. People will choose the stability of totalitarianism rather than instability under any political system. Therefore it is an epochal challenge which circumstances impose on us—the challenge to persuade our democracy to plan, and to show it how to plan.

Reviews of Books and Documents

The President: Leader and Manager

THE AMERICAN PRESIDENCY, by HAROLD J. LASKI. Harper and Brothers, 1940. Pp. viii, 278. \$2.50.

PRESIDENTIAL LEADERSHIP, by PENDLETON HERRING. Farrar and Rinehart, 1940. Pp. xiv, 173. \$1.50.

HERE are two important studies of the American presidency—one by a savant in the London School of Economics and the other in Harvard. Among a mass of reminiscences, gossip, biographies, and histories these volumes are outstanding contributions to our political sophistication. When there is added the forthcoming studies of the executive by Dr. Lindsay Rogers and Dr. Edward S. Corwin, the equipment of students of our American government will be notably improved.

Needless to say, the essay of Professor Laski is smoothly flowing and expansive in style, ingenious in analysis, pontifical in manner, and not too shrinking in certainty of conclusions. I must say, however, that my brilliant colleague in the study of government seems more hesitant in pointing the way to American political salvation at this juncture than is his wont. He is more "positive" about the program of government than about its structure.

Professor Herring's study, while less imposing to the literati, is not without its interesting and even eloquent passages. Mr. Laski's study bears the marks of a somewhat hastily constructed series of lectures, but the work of Mr. Herring is the product of many years of patient study of various aspects of the presidential office. His analysis rests upon a wealth of historical and contemporary observations.

It may come as a shock to the readers of this journal of public administration that both these writers largely ignore the role of administrative management in the functions of the President of the United States. Modesty absolutely forbids me as a member of President Roosevelt's Committee on Administrative Management to suggest even indirectly that they might have profited by more careful re-

lating of the Committee's report to their discussion of the presidency. Mr. Laski seems to recall only the phrase "passion for anonymity." In the end it appears that the substitution of the words "self-suppression" (p. 259) covers the case.

Neither of them seems to have read the Executive Order of September, 1939, setting up the Executive Office of the President with its six divisions, or to be concerned about fiscal, personnel, or planning management, or to have followed the important reorganization changes effected recently. They do not come to grips with the independent regulatory agencies. Mr. Laski discusses the Humphrey case, but does not seem to know the background by which alone it may be interpreted.

Thus, incredible as it may seem, the immensely important operations of the far-flung managerial services of which the President of the United States is the chief executive find little place in these analyses of the presidency. Mr. Laski looks blackly at management in general, preferring political theory and party politics—interests which I share with him. It has been my lot, however, to have fallen in latterly with students of management, and as Mr. Laski would likely say, "These guys have something on the ball." Mr. Herring is interested in and qualified for discussion of managerial functions, as his writings abundantly attest, but he seems to have left most of his extensive knowledge of administration in another world for the moment. The result is a disappointment for students of management in particular, and in general a failure to bring to bear upon the interpretation of the executive the significance of some of his most important functions in our government.

I appreciate fully Mr. Laski's reservations regarding the British civil service and its attitude toward a genuinely democratic program. On the other hand, it will be impossible to develop and maintain any program validating the assumptions of democracy without a very strong administrative staff. At this point our American problem is quite different from that of England where the civil service has long been—with recent modifications—recruited from the aristocratic groups. Mr. Laski generously recognizes the progress made in our civil service in recent years.

If it is said that their eyes are fixed upon the President not as a manager but as a political leader, there are disappointments for the reader who knows his politics, theoretically or practically. Neither of the writers takes pains to analyze the conception of leadership in anything like the modern terms of psychology or social psychology. It must be said, however, that Professor Herring has a passage of rare insight on the nature of leadership. He writes with far surer touch than Mr. Laski regarding the background of the American party system within which the party leader must function, although he does not utilize effectively the material which everyone knows is at his instant command. For Mr. Laski it is perhaps sufficient to say, with a lofty wave of the hand, that the American parties are "the agents of the property interests of the United States. . . . resting upon the social adequacy of American capitalism" (pp. 235-6). This relieves him from the responsibility of scrutinizing the social and economic factors in party composition of the type so well discussed by Professor Holcombe.

I cannot escape the conclusion that these writers would have profited by closer examination or re-examination of the historical genesis and development of the American presidency. The founding fathers were influenced not only by the shadow of George III as a symbol of executive despotism, but also by a strong fear of the legislative branch of the government. They were as anxious to escape from legislative domination as from executive domination. Mr. Laski's assertion that America has always considered that the stronger the President the greater the menace to liberty (p. 239) does not stand up under historical analysis of Jefferson, Jackson, Lincoln, and

later executives of the type of the two Roosevelts and Wilson. On the contrary, these leaders were regarded as the protectors of freedom in each instance. Jefferson in the struggle with the aristocracy of his day, Jackson with the Bank, Lincoln with slavery, Wilson and the Roosevelts with concentrated economic power—all these executives were over half a century the recognized protectors of the liberties of the nation.

Neither of the authors has considered carefully the relation of the presidency to the judicial system of the land. Yet the role of the court in developing the powers of the President in foreign relations, the attitude of the courts toward the "delegation" of administrative decisions, the relationship between the President and the Supreme Court traced notably in the experience of Jefferson, Jackson, Lincoln, and the two Roosevelts, all are of basic importance in understanding the position of the American chief executive.

It is interesting to observe that these eminent students of government agree in minimizing the importance of the controversy over the third term for the president. "There may be instances," says Mr. Herring, "when the need for continuity of policy is so great that a third term is justified."

Mr. Laski finds that, "The true and only issue involved in the problem of a third term is whether, on a balance of considerations, the American people want any given incumbent who offers himself; and that, after all, is a question which the American people alone are competent to decide" (p. 68).

Both writers deal prudently with modifications in the "system." They reject most of the current plans for modification of the presidential position, such as the presence of Cabinet members in Congress, or the grant to the executive of the power to dissolve Congress. Mr. Laski suggests a direct vote for the choice of the President, restriction of appropriation items to executive initiative, and the abandonment of the tradition of "senatorial courtesy." Mr. Herring, from the wealth of his observation and reflection, dwells upon technical committees, joint considerations of legislative proposals, legislative councils, and in general discourses of what he terms "adjustments." In general they agree that changes are less likely to arise from formal amendment

than from the influence of social and economic pressures and from the gradual molding of political practice.

Mr. Laski finds the solution of our ills in the adoption of a "positive" program in America without much real regard for structural problems, and Mr. Herring looks to the gradual accretions of administrative practice arising in the administrative-political complex in Washington.

On the whole, both of these volumes are worthy of careful study and reflection. They are important additions to our knowledge of one of the central problems of democracy. To students of public administration the failure to emphasize the far-reaching influence of administrative management will doubtless be a subject of regret. That Mr. Laski does not care much about management, he has long ago made clear, but Mr. Herring is so full of information on this topic, and interest in it, that he might almost be charged with burying his talent in a napkin.

With full appreciation of the value of these essays and with deep gratitude for the work of

the authors, it would not be unfair to characterize these undoubtedly impressive works as essentially old-fashioned in their approach to the central problem. This method of attacking the question has seriously weakened the effectiveness of their inquiries. Not to consider management and its interrelations with political theory and party direction, to undervalue the role of the courts, to pass by the whole development of the theories of leadership both in psychological and social setting, involve the authors inevitably in a form of discussion which they would ordinarily be the last to defend. The brilliant analyses in *Parliamentary Government* by Mr. Laski and the vigorous *Group Representation and Public Administration and the Public Interest* by Mr. Herring attest the capacity of these scholars to attain high levels of achievement when not too much handicapped by haste. Yet I cheerfully concede that the timeliness of these volumes fully justifies the sacrifice of maturity of treatment to the urgent needs of the hour.

CHARLES E. MERRIAM

Canadian Federalism in Transition

REPORT OF THE ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS.

The King's Printer, Ottawa, 1940. 3 vols., pp. 261, 295, 219. \$1.00. Also, 8 volumes of appendices, and 21 other supporting volumes.

IN SPITE OF deep-rooted sectional conflicts that outstrip the interstate quibbles of the United States, Canada has this year produced a Royal Commission Report on Dominion-Provincial Relations which advocates more centralization of fiscal and provincial affairs than has ever been dreamed possible by our most ardent Neo-federalists.

I

The five major recommendations of the Canadian Report, euphemistically known as the Rowell Report or Sirois Report or Rowell-Sirois Report, after the names of its chairmen, reflect some of the ways in which the federal system may be undergoing transformation in the current crisis of British North America.

1. The Dominion should take over the most ticklish political questions now being faced in large part by the provinces, that is, the admin-

istration and financing of unemployment relief, unemployment insurance (enacted since the Report was issued), hours and wages legislation, and "advances" to farmers and "primary industries."

2. The Dominion should assume existing provincial debts as well as future provincial debts if approved by a Dominion Finance Commission, in return for whatever income the provinces now derive from their revenue-producing assets.

3. The Dominion should be given the exclusive right to levy income and corporation taxes, now levied by both the central and provincial governments, and also succession or inheritance taxes, now levied exclusively by the provinces.

4. The provinces should, on condition of their withdrawal from these fields of taxation,

receive from the Dominion lump sum, annual, unconditional National Adjustment Grants for the support of education and welfare at an average national standard, developmental grants for the continuation of their highway and conservation expenditures at the 1928-1931 provincial average, and supplementary emergency grants in case of abnormal conditions.

5. Machinery should be set up for a regular Dominion-Provincial Conference, together with a secretariat which would also act as the research agency to the Finance Commission in reviewing the National Adjustment Grants every five years, passing on emergency grants when necessary, and approving new provincial debts. It would also act as a general clearing house for economic and administrative information relating to Dominion-provincial relations.

Although on their face, the Commission's recommendations are mainly financial, they go to the roots of Canada's federal system and its provincial culture.

II

The urge for a strong federal state has been expressed before in Canadian constitutional law but has never been put into practice. Canada started out as a truly national state under its present constitution, the British North America Act of 1867, at a time when Canadians had observed how a weaker form of federalism in the United States had ended in a bloody civil war. The British North America Act gave the Dominion government broad powers with only enumerated powers granted to the provinces, and with all residual powers assigned to the Dominion, in contrast to the prevailing United States theory of state sovereignty, limited and enumerated federal powers, and residual powers left to the states. The Dominion government was permitted "to make laws for the peace, order, and good government of Canada in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces." Dominion powers were listed in the Act of 1867, but not for the sake of limiting federal powers to the enumeration, as in the case of the United States Constitution, but according to the very words of the Act itself, "for greater certainty but not so as to restrict the generality of the foregoing."

For about ten years, Canadian statesmen acted as though the British North America Act meant what it said, and the Dominion government took an aggressive view of its own powers. Indeed, it had to do so in order to round out the nation from the four original provinces to what are now the nine provinces and two territories, in order to enter into the race for the West with the United States, whose imperialist leaders were still echoing early American cries for the absorption of Canada, in order to settle the vast expanse of land and encourage the building of the long-awaited transcontinental railroad on the Canadian side of the border, and in order to set up the economic framework for what was to become one of the world's leading trading nations.

However, the blossoming of Canadian nationalism was early thwarted by the jealousy of the provinces and by the narrow judicial decisions of the Privy Council in London and the Supreme Court at home. The federal power to regulate "trade and commerce" was held to be transcended by the provincial power to regulate "property and civil rights in the provinces," and Canada's broad commerce clause thus became an interprovince commerce clause. On the basis of this interpretation, the courts refused to uphold federal hours, wages, and other labor legislation, even though enacted in pursuance to treaty obligations assumed by the Dominion under the conventions of the International Labor Organization. In the early years, the Dominion's power to veto and disallow provincial legislation was extensively exercised, but for about forty years, and especially since 1924, this power has been in abeyance. Thus it is that with a stronger federal document to start with, Canada's provinces have in many ways become more sovereign than the sovereign states of the United States, and its Dominion government more restricted than the constitutionally restricted federal government of the United States.

III

With this history of Canadian provincialism in mind, the Commission decided to proceed gingerly in pursuing its express mandate "to provide for a re-examination of the economic and financial basis of confederation and of the distribution of legislative powers in the light of the economic and social developments of the

last seventy years." Although the Commission's terms of reference gave it the duty of suggesting whatever arrangements "will best effect a balanced relationship between the financial powers and the obligations and functions of each governing body, and conduce to a more efficient, independent and economical discharge of governmental responsibilities in Canada," it pointed out that the terms of reference compelled it to make its recommendations "subject to the retention of the distribution of legislative powers essential to a proper carrying out of the federal system in harmony with national needs and the promotion of national unity." To the Commission this meant principally the provincial sensitivities of French Quebec, and it therefore decided to "leave untouched the arrangements which during the last seventy years have preserved complete provincial liberty of action in spheres which are primarily cultural and social."

Among the first casualties resulting from the Commission's decision to restrict its inquiry were the Canadian cities. In spite of the fact that the terms of reference stated that "the relations between the provinces and municipalities are an essential part of the problem of provincial finance," and in spite of the Commission's admission that municipal finance is "one of the major problems of Canadian governmental finance," the Commission stated that it would refrain "from making specific recommendations with respect to municipal reform, except where the problem falls within Dominion-provincial relations," an exception which like a piece of string could be made as long or as short as desired. Aside from the incidental effects of its recommendations relieving the provinces and thereby the municipalities of unemployment relief and debts, the Commission in its Report deplored the inadequate system of real estate taxes in cities and the uneconomic and inefficient units of local government, especially in metropolitan, suburban, and rural areas.

Now, when the British North America Act was drafted in 1867, the Dominion, like the United States of 1787, had no city problem, since only Montreal, Toronto, and Quebec had 50,000 or more inhabitants, while Canadian cities like Vancouver, Edmonton, Moose Jaw, and Saskatoon were idle prairies and Winnipeg was merely a Hudson's Bay Company outpost

with a population of 241. But the Canada of 1940 is half urban, the cities are burdened with a public debt almost as large as the provincial debt, they are responsible for 30 per cent of the nation's public revenues (more than that of the provinces), their expenditures exceed provincial expenditures, and many of them are today facing financial insolvency. Under these circumstances, the Commission might at least have included city officials within the ambit of the recommended permanent Dominion-Provincial Conference, particularly since the recommendation for such a body came in part from an excellent brief presented by the Canadian Federation of Mayors and Municipalities, which had also recommended that the "federal government appoint a commission to study urban trends throughout the Dominion, similar to the Urbanism Committee associated with the National Resources Committee of the United States."

Blind spots besides those relating to the cities may be discerned in the Commission's recommendations relating to provincial powers. Conveniently referring to "the civil rights and liberties of labor unions," the Commission left labor disputes in the hands of the provinces except where the provinces would be willing to delegate power to the Dominion because, the Commission stated, any change in the present practice "would present innumerable difficulties." Unfortunately one of these difficulties was the Commission's own failure to recognize the inconsistencies of a system of federalism which permitted provincial legislation like the Fascist-inspired Padlock Law of Quebec to infringe, under the guise of civil rights legislation, the powers of labor unions and leftist political groups alike, while it allowed the recent Populist legislation of the radical agrarians in Alberta to be unceremoniously struck down by the rarely used power of Dominion disallowance.

There is further caution in recommendations affecting provincial powers. While the Commission did not find overlapping of provincial with Dominion functions, it pointed to the existence of, but made no recommendation with reference to, what it skillfully described as the "underlapping" of functions in unoccupied fields of regulation. Although there seemed to be a widespread sentiment for the union of certain provinces, especially the

Prairie Provinces of Alberta, Saskatchewan, and Manitoba, and the Maritime Provinces of New Brunswick, Nova Scotia, and Prince Edward Island, the Commission (pointing out that no economies would result) refused to recommend such union, although it did recommend a single Maritime Court of Appeals and a single Prairie Court of Appeals, finally implementing in a small degree the unexecuted provision of the British North America Act of 1867 which permitted uniformity in civil procedure and in the Courts of Ontario, Nova Scotia, and New Brunswick.

IV

In hesitating to make full use of its opportunity to raise *de novo* questions of provincial autonomy, the Commission may well have been justified, in view of the hostility shown by some of the provincial officials toward its work, hostility not noticeably duplicated by public opinion generally. The government of Alberta declined to appear or permit its officials to appear before the Commission. The Province of Quebec welcomed the Commission to Quebec City, not for the purpose of giving evidence but, according to the province's memorandum, because "its silence might be considered as acquiescence in the principle . . . that a Commission appointed by the federal government itself has the power to make an inquiry with a view to amending the Act of 1867." Ontario cooperated fully at first, but later declined to cooperate further, alleging that there had been a breach of faith on the part of the Dominion in changing its gift tax law prior to the Report of the Commission.

To the fickle provinces the Commission responded with extreme solicitude throughout the Report. It made a special point of recommending that "while the personal fortunes or ambitions of civil servants should not be allowed to stand in the way of desirable changes . . . in cases in which a function is transferred from the province to the Dominion we recommend that the rules of the Dominion Civil Service Commission . . . be so modified as to facilitate the absorption of provincial officials into the federal service. This recommendation is particularly important in respect to provincial officials of the Province of Quebec. The performance of functions of the Dominion Government in Quebec should always be in

the hands of officials with knowledge both of the French language and of local conditions and customs in the Province." Thus in making its choice between the two main forces which have always been tearing at Canada's federal structure, the one a nationalistic urge to deal with the Dominion's economy, the other a provincial urge to preserve the ethnic, religious, and linguistic bifocalism of a nation that is one-third French Catholic, the Canadian Commission on Dominion-Provincial Relations can hardly be said to have neglected the latter.

V

Yet the Commission is being ground between the upper and the nether millstones, for it is not only being accused in certain circles of sacrificing the cultural traditions of Canada, but it is also being charged with having unduly neglected the urgent necessities of the national economy. Referring to the provincial predilections of Canadian political thinking, John Wills, law professor of Dalhousie University, stated recently that, "Ready as mankind is to endure the consequences of its belief that institutions—the BNA Act for instance—are permanent and that the good man is he who strives to cram his awkward self into them and be worthy of them, . . . most Canadians have long grown weary of well meant attempts to deal with the commercial and industrial life of Canada as if it was carried on in nine distinct and unrelated petty principalities. . . ." Professor Keirstead, head of the department of economics and political science at the University of New Brunswick, in reviewing the Commission's Report, also asks whether a mere rearrangement of existing functions will furnish a constitutional basis to cope successfully with the problems of stabilizing the processes of production and distribution.

These are questions that are not easily answered. Do the burdens of the prairie farmer, the overconcentration of capital, the neglect of the fisherman and the miner, and the plight of the industrial worker represent genuine sectional cleavages, the interest, of which can be reconciled by the rebalancing of provincial powers? Or are all of these problems but broader manifestations of the good fortune of other economic interests that are better able to express themselves in the counsels of the nation because provincial authorities are,

through a negative national policy, permitted to go their own way presumably for "cultural" reasons? The essential difficulty in balancing the cultural and the economic forces that tug and pull at Canadian federalism is this: The cultural forces already enjoy the momentum of political representation, largely through the Province of Quebec, while the economic forces are scattered over the country, regardless of provincial boundaries.

These are some of the agonies of the problem of federalism, the battle between the nice controls of the national economy and the necessary concessions to the national personality, the difficulty of zoning powers among separate political authorities in a democracy. Worse still, however, the problem at the present time is aggravated by the death struggle in which Canada now finds itself as part of the embattled British Empire. Issued during the German drive through Holland, Belgium, and Luxembourg toward the channel ports, from which the thrust is now being made at the heart of the Empire itself, the Commission's Report may well have to be shelved until Canada's future is more definitely determined by the gods of war.

Suppose, however, that, win or lose, Canada is brought closer to the United States, whether at peace or war, through an inter-American policy already backed up by the cold reality of joint defense plans, the delivery to Canadian ports of torpedo-loaded, American-manned destroyers, and the taking over of British naval air bases in the Atlantic, including Newfoundland guarding the gateway to Canada itself. Will the American scholar of public administration, whether of Canada or the United States, then be prepared to present a creative plan for a feasible form of hemispherical federalism? On its part, the Commission has not been blind to such drastic development. It warned that "it may be necessary . . . to stimulate and give dynamic direction to new national expansion, although probably on very different lines and different frontiers. In the vital field of external economic relations Canada might strive for closer integration with the United States . . ." Nor would this development come as a surprise to the American traveller who in peacetime has always found a free flow at the international boundary from north to south, with the resident provincial

commissioners of Saskatchewan and Alberta feeling more at home in Spokane, Washington, than do Canadian diplomats in Washington, D.C.

Taken as a whole, the Commission's work was carried on with a breadth and a comprehension that make its Report one of the world classics in the neglected literature of federalism. In spite of the provincial predilections that it was compelled to assume because of Canada's peculiar cultural make-up, the Commission was not blind to the fact that it was balancing "national unity and provincial autonomy." But it insisted sagely that these forces "must not be thought of as competitors for the citizen's allegiance, for, in Canada at least, they are but two facets of the same thing—a sane federal system." In this spirit the Commission dealt thoroughly with such a touchy problem as national transportation, both railroad and motor, in spite of the fact that its terms of reference made no mention, direct or indirect, of this question.

Similarly, the Commission treated the fundamental question of competing economic systems in the following broad terms: "One may favor public ownership, and another development by private capital; one may put security and stability first, and another the goal of maximizing the income; one may adopt a laissez-faire attitude in relation to its industries and another a large measure of government planning." But, the Commission warned, again placing the emphasis upon the problem of federalism, that "the unequal distribution of the national income as between people of different regions may excite feelings quite as dangerous to national unity as those aroused by gross inequalities between different income groups. We have not, of course, attempted to lay down a pattern of social legislation in Canada, but we have, in accordance with our instructions, endeavoured to clear the way for the sort of legislation which seems probable in the future by making recommendations concerning the responsibility for enacting or withholding it."

The Commission, arriving at a unanimous report on the many controversial questions facing it, expressed in a rather charming concluding statement its own surprise at the fact that men holding such divergent views "should have arrived at complete agreement. This agreement

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is not the result of compromise or of give and take but reflects a sincere unanimity of judgment on the great issues which confront the nation. Its significance is enhanced by the fact that the four Commissioners are men from different regions of Canada, men who differ widely in background and in training, as well as in general outlook; and it is also significant that the conclusions which they have reached are far from being the views which any one of them held at the outset of the inquiry."

In other respects, too, the Report is one of the most daring and dramatic governmental documents yet produced in the Americas. It is chuck-full of thorough research, keen analysis, skillful presentation, and masterful writing. Appointed in August, 1937, the Commission reported in May, 1940, after a period of two years and nine months of labor. The Report itself consists of three principal volumes of more than two hundred pages each, together with twenty-nine additional volumes of appendices and other data, a total of thirty-two crimson-covered quarto volumes containing some 3,855 pages, with an attractive format and plenty of statistics, though without graphs and maps. It is issued in both French and English versions. There were eighty-five days of public hearings in ten different cities, during the course of which over ten thousand mimeographed pages of evidence were recorded, 154 extensive briefs filed by municipal bodies and organizations in the field of public administration, and a long list of witnesses heard.

Besides the six commissioners, later reduced to four by death or illness, more than forty outstanding economists, political scientists, lawyers, accountants, statisticians, and public administrators of the Dominion participated in the research together with a large secretarial staff. Among those who testified before the Commission were foreign experts and statesmen such as Heinrich Brüning, former German Chancellor and now Harvard professor; Gunnar Myrdall, Swedish professor and Senator; Ivor Jennings, the University of London's expert in public law; L. F. Giblin, Australian economics professor and public servant; Roswell Magill, at that time U. S. Under Secretary of the Treasury and professor of law at Columbia University; and Daniel Bell, then Acting U. S. Budget Director.

Studies like these have been all too rare. Only now are we in the United States beginning the first comprehensive appraisal of our federal system since *The Federalist*. Yet the history of the English-speaking countries has been rich with undigested experience and unevaluated experiments in federalism: the fashioning of England herself out of her historic counties; the absorption of Wales and of Scotland; federalism within the self-governing dominions; struggles among the Indian states and between India and the Empire; the unique status of Newfoundland; the anomaly of Northern Ireland; the relations of the Irish Free State to the Commonwealth; the imponderable Empire itself; and finally, the abortive participation of the British nations within the League of Nations—truly a dramatic panorama of federalism. Whether, when the time is more propitious, the Dominion-Provincial Relations Report will release a wave of pent-up research and thinking in the field of federalism, international as well as domestic, remains to be seen.

This, however, is an era of action which even in peacetime has not been the forte of British Royal Commissions. It is well to recall Punch's chant about the old man who announced as he eavesdropped on the couples in the dark:

I am the Royal Commission on Kissing,
Appointed by Gladstone in '74;
The rest of our members are dead or missing;
Our records were lost in the last Great War.
But still I'm a Royal Commission,
And my task I intend to see through,
Though I know, as an old politician,
Not much will be done if I do.

War and social upheaval may be better agents of action than a Royal Commission Report which again advocates for Canada, this time in somewhat great detail, what the British North America Act failed to achieve though it was enacted into law in 1867. For, with or without the printed report or the written law, in times like the present power shifts drastically between one level of government and another, between city and state, between province and nation. If the intelligence and statesmanship of the Canadian Commission do not serve as the agent for the accomplishment of its recommendations, they may be put into operation perforce by the tempo of events in our time.

ALBERT LEPAWSKY

Toward a Science of Administration

CASE REPORTS IN PUBLIC ADMINISTRATION. Collected under the auspices of a Special Committee on Research Materials of the Committee on Public Administration of the Social Science Research Council. Public Administration Service, 1940. Loose-leaf. 20 reports. \$2.00.

THE give and take that has gone on for years between teachers and practitioners of public administration as to case study versus textbook now has some formal content on the case study side. A collection of brief and, in most instances, heroically concise "cases" has been developed under the auspices of the Committee on Public Administration of the Social Science Research Council. It is something new in the field of administrative study in both form and content and—one must add—in the direction of professional literary aspirations.

Practitioners and scholars interested in training for administration have for a good while been acutely conscious of the inadequacies of too much reliance upon the textbook. Both have long expressed a desire to induct the trainee into the intricacies of administrative problems, procedures, and rationale by means of case studies, but inhibitions on the part of administrators reluctant to lay bare the process of specific cases to uncomprehending readers and inertia born of lack of auspices have heretofore resulted in primary reliance upon word of mouth anecdotes and reminiscences. It is to be hoped that the growing store of anecdotal professional lore will not be supplanted by this pioneer effort in case study development; the more formal device represented by this first effort of the Committee should make the anecdotes more illuminating. Without doubt, both devices are essential in the development of a sense of profession.

This collection of reports attempts to break ground for the application to administrative study of a technique which has been most fully developed in the study of law and more recently in the study of business practice and administration. Twenty reports are presented in a loose-leaf binder which is a promise that others will be added. Each deals with a problem in administration, isolated as far as possible from surrounding and competing problems, and pursued to its final settlement with the attendant results. The special committee

in charge of the preparation of these studies indicates its purpose to be threefold: first, the presentation of basically similar situations which will be helpful to administrators faced with similar problems; second, the provision of material for critical study by students; third, the development of an increasing body of case reports which will assist in the creation of a genuine science of administration. The committee asks the cooperation of scholars and administrators in the further development of case reports along the lines established by this initial experiment.

This first set of studies covers a generous ambit. The reports are distributed in seven categories; namely, organization, personnel, finance, decentralization, office practice, coordination, and miscellaneous, but within these categories, a further scattering characterizes the choice of subjects. Organization questions are treated with respect to span of control, organization of functions involving two clienteles, reorganization of areas, location of accounting records, and the review of assignment of reporting duties to line officers. Personnel cases deal with vocational guidance and readjustment, grievance procedure, and race questions. Two cases on finance raise problems of accounting for administrative control and the use of purchase requisitions for budgetary control. Requisitioning procedure is also discussed from the point of view of decentralization. The elusive subtleties of coordination are pursued by reference to form standardizations, central review of communications, and methods of controlling use of motor equipment. Office practice cases deal with the prevention of congestion and with certain public relations aspects of office procedures. In the miscellaneous group are found two cases treating the administrator's human relationships and problems of personal-official conduct, and one case which explores assessment policy.

A more or less standard form has been

worked out consisting of a statement of the problem, the surrounding facts, the optional solutions or decisions, the decision taken, and the results growing therefrom, and a final section devoted to comments inspired by the case. This form is evidently designed to lead the reporter to approach a problem in the spirit of scientific analysis, namely by isolating each relevant factor, subjecting it to individual examination, and determining its weight and materiality in the decision. If followed, this form should result in the concentration of attention on a problem reduced to a single unit, and the results which flow from the decision made should help to indicate whether or not that decision is the most workable and effective, and why. The isolation of factors in any social situation constitutes a baffling assignment and these cases often evidence failure to achieve that end. Nonetheless, the examples of effort suggest that the attempt is worth making. If a sufficient number of such factors are successfully isolated and treated, and their combination in a sufficient variety of problems is recorded, it seems reasonable to hope that a gradually increasing body of recognized standards for administrative actions may develop.

The cases illustrate a difficulty encountered in, but by no means confined to, administrative study. This is the difficulty of arriving at principles at once general and significant. To some it will appear that one or two cases march blandly up the blind alley of the obvious with rather meager results. Even here, however, the importance of the case study method is emphasized, since an analysis of a problem which leads to a merely obvious solution may be precedent to a more searching inquiry.

In the initial set of cases presented to the public some difficulty is apparent in classifying the cases presented. Cases in organization, coordination, and decentralization seem to be, on the whole, appropriately distributed. Those cases listed under finance, personnel, and office practice, however, might be redistributed in such a way as to avoid a reference to personnel management or financial management as special administrative fields, particularly if an attempt is being made by this project to examine administration *per se*. One of the office practice cases seems primarily a

case in public relations. The case dealing with departmental accounting records for administrative control is at least in part an organization problem, if organization includes the assignment of duties. On the other hand, certain cases, such as the one which deals with assessment policy, are concerned with specialized fields. It is to be assumed that the problem of classifying case studies or identifying categories of specializations within the broad field of administration is inherent in any emerging professional literature. Whether the categories here represented are the best choice seems unimportant at this stage; more important certainly is the invitation presented in this publication outlet for wide participation by practitioners and students alike in defining and developing the illustrative content and limits of a profession of public administration.

One is inclined to be heartened as to the probable ultimate significance of this venture. Almost certainly the case study offers material for teaching which can not be duplicated by any textbook approach. Careful use of this material will be required if the student is to secure a generalized picture of the field of administration. Certainly these cases offer hope for an increasingly realistic study of administrative problems in pre-entry training. Moreover, it is probable that the studies will be helpful in the prosecution of post-entry training. This will prove to be the case particularly if the studies prove helpful to administrators in the examination of their own troubles. No doubt time will be required for the growth of an attitude on the part of administrators which will permit the examination of this material with that purpose in mind, but the stake is worth the game. Hitherto, there have been few attempts to rescue the day-to-day experiences of administrators from musty death in countless filing cabinets.

In addition to these useful purposes, the task of exploration, organization, and synthesis which the Committee has undertaken may in itself have great possibilities. The case report method will assist in overcoming the too common assumption in administration that there is intrinsic merit in uniformity as such. Realistic appraisal of concrete results should point up the deficiencies of the rule-of-thumb type of decision which presumes the sacred cow of consistency and avoids the hard

work of re-examining old and outworn premises. As the case studies project progresses, the form and content of the reports can also illuminate the administrative process as distinguished from static administrative situations. This end might be furthered by furnishing reporters with guide lines for the review of relevant facts; by including as facts the various

subordinate and staff conclusions which the administrator seeks and upon which he relies; by excluding the detailed facts which support those subordinate and specialized judgments; and generally by focusing attention upon the sequence of steps actually taken by the administrator in the course of formulating his decision.

GORDON R. CLAPP

Rediscovery of Political Economy

GOVERNMENT AND ECONOMIC LIFE; DEVELOPMENT AND CURRENT ISSUES OF AMERICAN PUBLIC POLICY, by LEVERETT S. LYON, MYRON W. WATKINS, VICTOR ABRAMSON, and ASSOCIATES. Brookings Institution, 2 volumes, 1939, 1940. Pp. 519, 791. \$3.00, \$3.50.

THIS is by all odds the most significant survey of the interrelationships between government and business published to date. It is a cooperative production of more than a dozen scholars, including, besides the three named authors, such well-known economists as Fetter, Homan, Nourse, and Hardy. Unlike many cooperative studies, moreover, this is a unified production, free from all unnecessary repetition.

"The two volumes of this study are designed to analyze the relationship of government to economic life as a whole in terms of fundamental economic and social functions and fundamental governmental activities," with emphasis upon the issues in current American policy. Particular governmental policies are appraised not as "sound" or "unsound," but "in terms of the significant economic and social forces which have conditioned them, and the present current trends and frontier issues."

The first volume, after a rather brief discussion of basic concepts and conditioning factors, deals with the relationships between government and private economic activities generally, under the two headings, implementation and regulation. The major part of the second volume is devoted to special industries and special occasions involving much more extensive interrelationships than prevail in general business or at "normal" times. In addition, the role of the government as a producer is analyzed and there is in this, as in the first volume, a brief concluding chapter summarizing the significant developments of the last decade.

There are many points about this very significant study which the reviewer believes to be weaknesses. To begin with, there are uncountable omissions. Governmental taxing and spending are given no consideration, except insofar as taxation is a method of regulation and in connection with the concern expressed about the growth of publicly provided free services. Economic planning is not so much as mentioned. Governmental subsidies and aids to private industry, other than through standards, research, and the dissemination of knowledge, are only incidentally referred to. While nearly half of the entire study is devoted to the relationships between government and special industries, insurance is not mentioned as an industry in which governmental regulation is much more extensive than in general business, and banking is dealt with only insofar as it is related to the monetary mechanism. In the extended discussion of government as a producer, the post office rates exactly ten lines; highways are dealt with only briefly in relation to the growing expenditures for governmental services; police protection is not mentioned; and national defense comes into the story only in connection with actual warfare.

Most seriously inadequate is the treatment of government. The authors recognize that the new governmental policies involve added responsibilities for government and increase the importance of public administration. "The general directions of change in American public policy over the past decade have involved a lesser reliance upon private enterprise and a

wide range of authority for governmental bodies. There has resulted a grave problem of constructing plans of administration and administrative agencies capable of effectively carrying out the policies, while at the same time avoiding undue limitations on individual liberty." Fear is expressed that there is danger of stagnation, inefficiency, and arbitrary action, and that "the factors which need to be taken into consideration both in framing and administering policy become so numerous and so complex that they may outgrow the capacity of individuals to comprehend them." Elsewhere there are a few scattered paragraphs in which the development of administrative agencies is noted, and the observation is made that the "increased assumption of management controls by government" calls for "administrative and enforcement agencies quite different from those which have applied to economic life" heretofore. But this is all the treatment given to problems of administration or of government generally.

Despite these limitations, this is easily one of the most significant books of recent years dealing with economic phenomena. Written by orthodox economists, it can, with some truth, be described as a rediscovery of "political economy," which was the term applied to the science by the founding fathers. It has been a strange development that, in an age in which the relationships between government and economic life have been increasing at a most rapid rate, the scholars studying economic life have so largely eliminated government from all their theories and have even dropped all reference to politics in the name of their science. This book is indicative of the reversal of this trend which the reviewer has noted in many recent writings of economists. That economists have much to contribute to the description and analysis of the interactions of government and economic life is amply demonstrated in this important cooperative study.

EDWIN E. WITTE

Administration and Adjudication

FEDERAL REGULATORY ACTION AND CONTROL, by FREDERICK F. BLACHLY and MIRIAM E. OATMAN. The Brookings Institution, 1940. Pp. xviii, 356. \$3.00.

WITH the publication of this work we have another installment of the debate on the reform of the federal regulatory system. And a curious debate it has been. The three principal participants—the President's Committee on Administrative Management, the Special Committee on Administrative Law of the American Bar Association, and the Brookings Institution—do not have even a common ground of agreement on what features of the regulatory system need reform. The debaters talk on different planes, of different things, to different ends: the President's Committee speaks in great, some say statesmanlike, generalities; the Bar Association and its Colonel McGuire exorcise, in superbly fearful language, demons and ogres; and the Brookings experts, in a masterly manner, analyze minutiae and defend the status quo with comparatively minor modifications.

Federal Regulatory Action and Control consists of two parts: "The Present System" and "The Reform of the Present System," with cer-

tain valuable supporting statements appended. The first part could stand alone and is not essential to the debate. It is somewhat difficult to characterize, but here the authors have built up a comprehensive and systematic outline for analysis of the regulatory system. Types of administrative authorities, forms of administrative action, administrative procedures, methods of enforcement, and types of control over administration are classified and subclassified, defined and differentiated. From this thorough and compact exercise in taxonomy a picture of the present system in the large does not emerge, but from it does come a conception of the complexity and variety that prevail. The scheme of classification will doubtless be projected, with profit, into textbooks, casebooks, and courses on administrative law; and bill drafters, it may be hoped, will be guided toward terminological precision by perusal of these pages.

In the second section the authors get down

to the more interesting part of their task: the demolition of other proposals for reform and the development of their own. They first tackle the suggestions put forward by the President's Committee, whose plan, it will be recalled, proposed as a possible solution a division of the work of the independent commissions into "judicial" and "administrative" sections with the latter to be conducted by subordinates of department heads responsible to the President. The arguments in rebuttal are the familiar ones, but they are presented with more than the customary cogency: It is better that regulation be entrusted to boards than to administrative hierarchies. The commissions in performing legislative functions are agents of Congress and should be responsible to it. The commission form gives stability. Adjudication and administration are not readily separable. The amalgamation of executive, legislative, and judicial functions in a single body is both appropriate and unobjectionable. The dangers in the consolidation of prosecutor and judge are greatly overestimated. Since the regulatory agencies deal with different subjects the need for coordination is slight. The vesting of "administrative" powers of the commissions in subordinates of the President would permit the introduction of "politics."

Arguments like these, however, do not reach the basic problems suggested by the proposals of the President's Committee. Before this Committee's recommendations are dismissed we should know the answers to such questions as the following: Has the cumulative effect of the addition of more and more parts of the economy to the sphere of public control, through both independent and ordinary governmental agencies, been to change the nature as well as the scope of government relationship to the economic system? Are we moving into an era of public responsibility for the guidance of the economic system as a whole? If so, will a scheme of organization suitable for control of a few minor segments of the economy serve under the new conditions? From the point of view of economic effect can the work of the independent commissions be considered, or most effectively administered, apart from the related activities, regulatory and nonregulatory, of the ordinary governmental agencies? Does the supposed need for coordination of the regulatory agencies rest upon overlapping jurisdiction, admittedly

slight, or upon the interconnection of all subjects of control by whatever means through the price system? What of the behavior of the independent agencies in relationship to business cycles? Have they demonstrated adaptability or the capacity to act in the necessary degree of concert? What are the potentialities in the development of an economic general staff to coordinate economic policies?

With reference to the promotion of modifications of legislation—and in a more and more highly regulated economy legislative adaptability assumes greater importance—what is the record of the independent commissions? Does the possession of the temperament essential for judicial work interfere with effective promotion of new legislation in the general interest? When the commissions fight for such legislation do they have the prestige and patronage to carry the battle? What are the comparable records in the accumulation of basic data, in the identification of maladjustments, in the contrivance of corrective measures, and in the promotion of legislation of the Department of Agriculture and the Interstate Commerce Commission, for example? What part of the difference, if any, is attributable to the factor of independence? Does the relationship of the independent commission to legislation stack the cards in favor of one interest or another?

These questions suggest the hypothesis that under the doctrine of executive management the place of government in relationship to the economic order could, if necessary, be different from that which tends to prevail under the system of independent tribunals. If that is true, the authors have, in effect, espoused a philosophy respecting the role of government vis-à-vis the economy without making that philosophy explicit and without a re-examination of its adequacy in the light of current and probable future needs. Similar comment would be equally applicable to the report of the President's Committee. The fundamental issue remains inexplicit and unilluminated; nor can its discussion be carried on in legal formalisms. On the other hand, if the authors' unarticulated politico-economic philosophy is acceptable and workable, their conclusions probably follow.

In their treatment of the Bar Association proposals—"the doctrine of the judicial for-

mula"—as embodied in the Walter-Logan bill, the authors present a detailed statement of the problems that would arise from the adoption of this scheme to eliminate "administrative absolutism." If, as they assert, "administrative absolutism" is largely nonexistent, the criticism of the Bar Association proposals seems fairly conclusive. It may be suggested, however, that perhaps sufficient weight is not given to the tendency for the variety and intricacy of procedures to limit practice before administrative tribunals to highly specialized attorneys, with the consequent effects on lawyers as well as litigants over the country.

The "revisionist doctrine" advocated by the authors is "the result of long and far-reaching investigation." It is based on "no assumption" and seeks "to know the facts and to base any suggestions for change upon facts rather than predilections." It may be seriously questioned whether facts ever really "speak for them-

selves" except on the most minor matters. In few fields are "predilections" more significant or relevant than in the implementation of broad regulatory policy. Be that as it may, the factual oracle, as here revealed, has directed progress along the following, among other, lines: (1) the retention of the independence of agencies engaged in "long-time" regulatory processes; (2) the establishment of a constitutional administrative court to handle justifiable appeals from administrative acts; and (3) "the more exact differentiation of the various forms of administrative action." These and other changes should, it is said, be made one by one after careful consideration and demonstration of the need for each. In this the authors are probably on the side of the angels; detailed adjustments are far less rare than sweeping reform.

V. O. KEY, JR.

An Experiment in Group Research

CITY MANAGER GOVERNMENT IN THE UNITED STATES, by HAROLD A. STONE, DON K. PRICE, and KATHRYN H. STONE. Public Administration Service, 1940. Pp. xvi, 279. \$2.50.

CITY MANAGER GOVERNMENT IN NINE CITIES, by HAROLD A. STONE, DON K. PRICE, and KATHRYN H. STONE. Pp. 544. \$4.50.

CITY MANAGER GOVERNMENT IN SEVEN CITIES, by VARIOUS AUTHORS. Pp. 448. \$3.50.

CONSPICUOUS advances in the number and quality of municipal functions and generally unsatisfactory economic conditions in the country have called the attention of the citizen and student to the increased prestige and responsibility of municipal government. Into this situation has been drawn the comparatively new type of government known as the city manager, council-manager, or more correctly, by one of its original titles, the controlled-executive. That this form has "made good and will endure" is the opinion of its accredited father, Richard S. Childs. When over five hundred cities of all sizes have adopted this form of government, the time seems ripe for a review and appraisal of the reasons for adoption or rejection of the plan, its influence, results, and effects.

A series of three volumes has been published

after a group study of two years conducted under the auspices of the Committee on Public Administration of the Social Science Research Council. Mr. and Mrs. Harold A. Stone and Don K. Price formed a team which investigated thoroughly eighteen cities having, or formerly having had, the city manager plan. Forty-three collaborators studied thirty-two other cities. The first, and most important, of the studies is the critical analysis of the entire group of fifty cities under investigation. The other two volumes include case studies, the first covering nine cities studied by the team members, and the second a symposium by seven collaborators.

A careful selection of cities was made in order that the one-tenth of the council-manager plan cities included in the study would be representative of the whole five hundred now

under this plan. One-half of the cities over 50,000 population, and one-third of those over 25,000 were included in the study. The researchers were asked to find out what were considered to be the most essential elements of the plan in each city, what made it work in some cities and not in others, what kind of people were filling the positions of councilmen and city manager, how they conducted their business affairs, and how these methods contrasted with those which preceded this plan. The boldness of the survey lies in the fact that there are no really comparable statistics, unit costs, and acceptable criteria to measure governmental services. The basic results were measured by keen and shrewd observation, group thinking and discussion, reportorial questioning, comparison of administrative methods, and common sense.

The proposal to unify the administrative powers of a municipality in the hands of a trained executive was not new in political literatures. As far back as 1899, an editorial in the new journal of the California League of Municipalities by H. A. Mason asked "why our municipalities should not be 'managed' by a distinct profession of municipal managers who were to have the sort of training and experience as doctors, lawyers, engineers, health officers, teachers, and accountants?" This bit of history is not intended in the least to detract from the honor and glory which belongs to Childs for his earnest and persistent efforts to spread the same belief. The time of this prophetic statement is best dated by a paragraph in the same issue of the journal stating that "rubber-tired fire engines are now in use in New York and automobile engines will soon make their appearance in Paris."

The primary feature in the mind of the early proponents of the council-manager plan was the strict unification of powers and political responsibility in the council, and the concentration of administrative authority in a full-time city manager, appointed by and responsible solely to the council; or—condensed to a single essential, and stressed in all campaigns for its adoption—the responsibility of an appointed chief executive to a popularly elected council.

It is granted that some proponents of this plan stressed other matters in the campaigns. Many made impossible promises to the voters.

In other words, too many campaigns played up the positive functions of the manager in promoting Utopia rather than stressing his responsibility to the popularly elected council. No council can hold a manager fully responsible for his administrative acts unless it has control of the government as a whole, that is, unless all the powers of government are effectively unified in the single body. And conversely, this council cannot hold the manager responsible for administration unless he has authority over all its interrelated parts, or unless administrative authority is concentrated in his office.

The authors state that, in a certain group of cities, "The plan was established, not to reform politics, not to change the character of the membership of the council, and not to stop partisan patronage, but to improve the methods of rendering municipal services. The change, although made for administrative purposes, nevertheless had significant effects on policies and politics." Too often advocates of the plan promised that the charter, regardless of its contents and structure, would bring about reforms by guaranteeing certain powers to the manager.

Too few charter campaigns or supporting arguments emphasized that "the council is thus of primary importance in the operation of the city manager plan. It is responsible for administration as well as for policies, for the city manager can do nothing unless the council will delegate adequate authority to him. Actually the council delegates to the city manager authority over the functions that are his according to law or charter; he exercises his authority by grace, not by right." Similarly, too few have insisted that "the function of the council is not to be a check on the city manager. Its function is to enable the city manager, as head of the administration, to render the most effective service to the city."

The council should have carried with it a sense of power, influence, and importance. It should have been the organ of registering decisions that had been made at the polls, in the committees, at civic gatherings, in department staff conferences, and through the manager's deliberation with the council in open sessions or behind closed doors. If the council treated every policy as a political issue, there was usually a siding of groups of citizens either with

or against the manager. The "community-governed" cities showed a tendency to play along with the manager and conflicts did not appear in the open. On the other hand, however, the machine- and faction-ridden cities played every angle against the manager in the hope that he would be discredited and the whole system abolished. Many councils laid down on their jobs by having no sense of leadership, no insight into movements, and by placing excessive dependence upon the manager. Most unsatisfactory results were of their own doing, because the council alone could promulgate policies and it alone could remove or retain the manager.

But it is most important to realize that while we have been discussing the stress which the authors of the study have placed upon the council and community leadership, the real core of the study has been on the position, personality, and methods of the individual manager. In 1927, Dr. Leonard D. White studied some thirty-odd cities which had installed the city manager plan. His study was of the type of official selected rather than of the plan itself. He found that the plan was introduced in each city for an almost identical set of reasons, all of which could have been summed up in the phrase, "extravagance and waste." In recalling his study, and reviewing these three reports, I recur again to the original but discarded descriptive title "controlled-executive." The familiar phrase kept running over and over in my mind—"a government of laws and not of men." What then of the position of the city manager? What were the qualifications for his position? It is impossible to describe the personalities of the managers studied, as they vary so widely from city to city and from man to man. Dr. White did this with excellent results. The authors came to the definite conclusion that there is no typical manager. They found that practically all of them were capable administrators, at least in comparison with previous officers. They all had good professional attitudes, were well-educated, skilled in some form of functional administration, usually a branch of engineering, were men of direct action, had great enthusiasm for their work, were unimpeachably honest, and had charm, tact, a sense of humor, and breadth of vision. What more could people wish in their administrators? Naturally, where

the plan was in for a tough experience, some of the men selected as managers were untrained, inept, unimaginative, and generally unprofessional. These were few and far between however, and are to be noted as exceptions, even in some machine- and faction-ridden cities.

Something of value must have come out of all these adoptions of the council-manager plan of government. Was it a change of form or of ideas and attitudes which was most effective and responsible for its acceptance? The authors say that these questions cannot be answered. Broad and essential principles of the plan were fitted into the local political conditions and habits of the people rather than being overlaid or forced upon them in a standardized pattern. A variety of local conditions made it impossible to describe the success of the plan as a whole. However, it can be stated definitely that the plan did bring about conspicuous changes in practically every city.

"The adoption of the city manager plan did not bring about a separation between legislation and administration; on the contrary, it brought them more closely together by unifying the authority in the council and by simplifying the relationship between them." Which is another way of saying that the manager planned legislative programs and the council controlled the manager. Security of tenure of an administrative official has a great advantage in that it gives him time to work out his plans and an incentive to look ahead to their accomplishment. This, in substance, answers our queries concerning the "controlled-executive," and "a government of laws and not of men." Charter provisions did not protect the city manager against interference by the council, and on the other hand a harmonious relationship was not brought about by the absence of such provisions. The question of legal powers had little to do with it. The real basis of the relationship between the council and the city manager was a political tradition that could not have been legislated into existence. The voters merely determined who should govern the city and left to the council the function of deciding what and how the government should operate. The councilmen, in turn, were glad to pass on to the city manager discretion in all except the most important aspects of deciding how to run the government.

The concluding portion of the last paragraph of the study tells adequately the story of the two full years of keen and painstaking research and complicated collaboration and editing of scattered ideas and opinions. "The ideals of the city manager movement were instantly accepted in cities that were ready for them and distorted or abused wherever they were in conflict with local political traditions. But nearly everywhere they added to the prestige of city government, lessened its preoccupation with trivial details or factional interests, and increased its ability to render service to the public." What more can you ask or expect of a human institution less than thirty years of age? Mr. Mason said forty-one years ago, "Some city will become progressive enough before long to employ a business manager, with authority to conduct its affairs as broad as the manager of a private corporation has concerning its affairs. . . . It would be an interesting experiment for a city to employ a professional manager, and it would be very likely to prove a successful experiment. Then ambitious young men would fit themselves for municipal employment and before long our cities would be managed by professional mu-

nicipal officers instead of professional politicians."

The authors of these three volumes have adequately substantiated the belief that "the city manager plan has made good and will endure." Those of us who have acted as step-fathers or midwives to the plan in various portions of the country can look with pride on most of our efforts.

Much credit is due the Committee on Public Administration of the Social Science Research Council and the team of authors and their collaborators for undertaking this important group research project. The ability to report accurately and impartially what you have seen and heard is always rare. Here we have a group of scattered students of government coming to substantially the same opinions in each of their respective localities. Group research is hazardous but these reports justify its more frequent use. This study whets our appetite for others on county government, initiative and referendum, bicameral legislatures, fiscal systems, personnel management, and other controversial governmental questions.

EDWIN A. COTTRELL

A Study in Administrative Autonomy

THE BRITISH UNEMPLOYMENT ASSISTANCE BOARD, by JOHN D. MILLETT.
McGraw-Hill Book Company, 1940. Pp. ix, 300. \$3.00.

IN *The British Unemployment Assistance Board*, the motives, propriety, and success of the application of the principle of administrative autonomy to the field of unemployment relief are seriously questioned by the author. The Unemployment Assistance Board was proposed in 1934 by the Government of the day as the device by which the administration of unemployment relief could be divorced from politics, with attendant social and technical advantages. The Board was to be analogous to a governmental corporation like the British Broadcasting Corporation or the Central Electricity Board. Though Parliament could rule on its regulations *in toto*, the Board was to be free from direct ministerial control and not directly answerable to Parliament. The Minister of Labour was to be merely the intermediary between Parliament and the

Board. Despite caustic Labor and Liberal opposition, the Board was established by the Unemployment Act of 1934. Thenceforth, the needy able-bodied unemployed, who had been provided for, between 1920 and 1931, by extended unemployment insurance benefits without reference to individual need and, since 1931, by benefits based on a test of need ("transitional payments") as administered by the local authorities, were to be subject to the new Board and system of "unemployment assistance."

It is Mr. Millett's historical thesis that the exigencies neither of pure administration nor of relief prompted the creation of the Board. He declares that "it is evident that the decision to establish an 'independent' statutory Unemployment Assistance Board was not a fabrication of Whitehall without some previous

advocacy or precedent. The immediate objectives behind this decision seem to have emanated from the Treasury. Reasons of national economy dictated, first that the administration of unemployment assistance be conferred upon a central agency rather than be left to local authorities whose primary interest would lie in assessing need at a generous figure, and secondly that the central agency should be given an 'independent' status in order that it might be protected from Parliamentary pressure to increase individual allowances. Over the scepticism of the Minister of Labour, the Treasury carried the day" (pp. 33-34).

Without this thesis of pseudo-independence, one of the most curious episodes in British administrative history would indeed be difficult to comprehend. When, in January 1935, the Unemployment Assistance Board began to apply a set of regulations fixing many individual relief allowances at levels below those of the transitional payments scheme, the experiment in administrative autonomy virtually collapsed. The reasons advanced in favor of an autonomous Board, if not already answered theoretically in and out of Parliament, were submerged in the ensuing storm of public protest. Parliament queried the Minister of Labour as though he were the Board's responsible head. Instances of individual hardship wrought by the regulations were cited by the members and received by the Minister, although the Board's peculiar organization was supposed to obviate such picayune discussion. The Board, or the Government, retreated with more celerity than grace. A "Standstill" was ordered whereby the individual allowance was to be the former transitional payment, or the assistance allowance, whichever was higher. In July 1936, the Board submitted new regulations, more liberal than the first and acceptable both to Parliament and the public, but, incidentally, "it was nearing the time for the next quinquennial general election" (p. 241), and employment conditions had so improved that the total cost of unemployment relief declined despite the rise in average cost. During the Standstill, the Board's relatively untrained staff administered the double set of standards with admirable efficiency and resourcefulness. "The liquidation of the Standstill was in sharp contrast with the political ineptitude which featured the execution of the original regulations" (p. 243).

Mr. Millett, however, is concerned with much more than the evolution and tribulations of the Board. His chief interest is the development of several theses of present-day and, no doubt, continuing importance.

First, the author deprecates further misapplication of the device of the administratively autonomous agency. An independent governmental corporation is justified only when two conditions are satisfied, namely, that it be financially independent and that there be "general agreement as to objective and the methods of realizing that objective" (p. 271). The Unemployment Assistance Board met neither condition. It depended annually on Parliament for large appropriations, and there was widespread disagreement as to the purpose of relief allowances. "Was the objective relief of destitution or State compensation for the lack of employment? And what was an adequate scale of allowances for the relief of destitution?" (p. 271). True, the Board turned out to be "essentially advisory" (p. 287). But what if it had actually been independent, able to ignore public criticism? Had it, for example, become "a trustee for the public conscience" as its Chairman advocated (p. 262), the device would have served to negate "all the democratic assumptions" and to elevate "the leadership principle with all its corresponding assumptions" (*ibid.*). Mr. Millett emphasizes his lack of opposition to administrative autonomy when no great policies are in issue.

Second, the author finds that the ambiguous status attained by the Board handicapped the Board itself. Pseudo-independent administration of assistance could become inhibited administration. Insulated from the public, the Board could not sound out public opinion when there was need to do so. "The Unemployment Assistance Board was denied the use of the forum of the House of Commons and the public platform to explain the work they were doing, to inform of the problems they confronted, and to justify the policies they pursued" (p. 289). Even if the Board set up a working relationship with the Minister of Labour, another Minister with a different conception of unemployment assistance could upset things, revealing that the question of responsibility was still confused. Amid such uncertainties, a case of administrative neurosis could develop.

Third, Mr. Millett is gravely concerned over

the implications of the Board's history with respect to the fate of democracy. "It is not enough merely to say that the Unemployment Assistance Board watched alertly for popular reactions. So may an authoritarian dictatorship. The difference lies in the ability of that popular reaction to make its wishes prevail. Any impairment of the doctrine of ministerial responsibility for vital services is an impairment of popular control" (p. 292). Although the Board deferred to public opinion, although "democratic assertiveness triumphed" (p. 294), the future remains problematic. "The coming of another depression would constitute a real testing whether the status of the Unemployment Assistance Board would be advantageous in effecting unpopular steps" (p. 252). Mr.

Millett ends with the note that "Democracy may yet find in its inability to look forward its nemesis" (p. 296).

While not sharing this fear, the reviewer believes it highly worthwhile in these times to emphasize through specific case studies like *The British Unemployment Assistance Board* the proposition that democracy consists in methodology as well as in ends. The advocacy of reduced unemployment relief expenditures is not undemocratic. But it is undemocratic to work for reduced expenditures under the guise of advocating another end such as administrative purification. The democratic method is to pursue the same ends that we advocate.

HARRY MALISOFF

Contemporary Topics

Accounting and Budgetary Revision

A REVISION in the accounting, financial reporting, and budgetary control procedures in the federal government was prescribed by President Roosevelt on August 13, in an executive order issued under authority of the Budget and Accounting Act of 1921.

The order places in the Director of the Budget the authority to specify what information shall be included in the financial reports prepared from the accounts in the Treasury Department. The Secretary of the Treasury is directed to prepare and transmit the reports "relating to the financial activities of the Government and the status of appropriations or funds and the apportionments thereof as the Director may require for the compilation of the budget or for other purposes of budgetary administration."

So that the Secretary may make such reports, he is authorized to establish as soon as practicable, and to maintain, "a summary but complete system of central accounts for the entire government." The various departments, agencies, and corporations of the government are required to furnish the information necessary to the central records. The central accounts are to be operated on a double-entry basis and established so as to "effect suitable coordination" with the accounting systems prescribed by the Comptroller General under terms of the Budget and Accounting Act.

The Secretary of the Treasury, with the approval of the Director of the Budget, is empowered to establish throughout the fiscal structure of the government uniform terminology; uniform classifications of assets, liabilities, revenues, and expenditures; and uniform standards for the valuation of assets, the determination of liabilities, and the treatment of revenues and expenditures.

Finally, the order sets up a system of apportionments of appropriations to be administered by the Director of the Budget. As soon as the Director prescribes the necessary rules, the head of each agency will be required to submit

to the Bureau of the Budget recommendations as to the apportionment of his funds over the fiscal period, and when approved by the Bureau or as revised by it, apportionment is binding. The apportionment may not be exceeded unless life or government property is endangered, and in such cases the excess expenditure must be justified in writing to the Director of the Budget.

This financial reporting system is based on two aspects of the federal reorganization of the last two years. The Bureau of the Budget was transferred by Reorganization Plan I to the Executive Office of the President, who directed it to keep him informed of the progress of activities of the various agencies of the government. The establishment of the Fiscal Service of the Treasury by Reorganization Plan III provided the operating center for an overall financial reporting system. The Fiscal Service is under an Assistant Secretary appointed in accordance with civil service rules.

Reorganization in Kansas City

KANSAS CITY, Missouri, whose voters elected a city council free of the control of the Pendergast machine last spring for the first time in several years, is now undergoing a thorough municipal reorganization under the direction of L. P. Cookingham, its new city manager. Mr. Cookingham has been city manager of the cities of Clawson, Plymouth, and Saginaw, Mich.

Two fundamental jobs, the classification of personnel and the revision of the appropriation accounting system, were undertaken simultaneously. After the completion in the near future of the classification survey, the classification plan and a new salary schedule will be installed. The revision of the appropriation accounting system, completed at the end of the summer, made necessary the preparation of a budget for the last eight months of the fiscal year.

At the same time, a thorough reorganization of municipal departments and personnel was being made, and a system of administrative reports was being installed.

State Personnel Aid to Cities

LOUISIANA, which became the eighteenth state to establish a state-wide civil service system under a law enacted in July, empowered its civil service commission to extend technical personnel services to local government units within the state, on request of the localities.

New York State recently adopted an amendment authorizing the state civil service commission to serve local personnel agencies on a contractual basis. Five other states—California, Minnesota, Wisconsin, Tennessee, and Rhode Island—had previously authorized such contracts. Their aim is to provide a means whereby jurisdictions too small to maintain their own technicians can obtain help for examination, classification, and other civil service functions.

Except in California the plan is an innovation of the last two years and hence has not been used extensively. In California, however, the local governments have made considerable use of such aid. The state personnel board recently announced that it was performing services for eight local jurisdictions. In addition, since local governments may contract with either the state or a neighboring local unit, Los Angeles County has also undertaken to administer the merit systems of a number of cities.

The Municipal Personnel Service of the Michigan Municipal League has been rendering technical personnel services to municipalities for several years. In New Jersey, the state civil service commission administers the merit systems of several localities without charge.

Administration of Courts

THE Administrative Office of the United States Courts, now nearly a year old, has reached the point where it can devote an increasing amount of its energy to investigating court procedures and making recommendations for their improvement, Director Henry P. Chandler has said in recent addresses.

The Office has two principal functions. The first is to provide for the physical needs of the courts—handle pay-roll and personnel records, obtain quarters and distribute supplies, audit expenditures, and represent the courts in submitting estimates for appropriations. These duties were shifted from the Department of Justice to the new Office on the principle that

the courts should not be dependent for their material needs on a branch of government that appears in court much more frequently than any other litigant.

The second function, on which increasing emphasis is being laid as the business duties become routinized, is to study court procedures in order to find means of improving efficiency. As the basis for continuous investigation in this direction, the immediate concern of the office has been to develop an improved system of judicial statistics.

Municipal Leagues in Latin-America

TWO Latin-American republics have organized national unions of municipalities and seven others have set up committees to lay the groundwork for such unions, following the initiative of the Pan American Commission on Intermunicipal Cooperation. The President of the Commission, which held its first meeting in Chicago late in 1939, is Dr. Antonio Beruff Mendieta, of Havana, Cuba.

Costa Rica and the Dominican Republic are the nations with newly organized municipal leagues. The seven nations with organization committees at work are Nicaragua, El Salvador, Haiti, Colombia, Brazil, Uruguay, and Argentina. A tenth nation, Cuba, has a municipal league organized prior to formation of the Commission.

The Commission is the executive body of the Pan American Congress of Municipalities. It has established a secretariat in Havana, with Dr. Gustavo Gutiérrez as Director General and Dr. Carlos Morán as Secretary-Treasurer.

International Cooperation

AT THE outbreak of war in Europe, the International Union of Local Authorities, the International Institute of Administrative Sciences, and the International Housing and Town Planning Federation were forced to curtail their work, and to move their joint headquarters in Brussels to a less expensive location.

Since the German invasion of Belgium, information regarding the work of these organizations has not been received in the United States. The spring numbers of *Local Government Administration* and the *Revue Internationale des Sciences Administratives* did not

appear. The 1940 Congress of the International Union of Local Authorities, which was to have been held in Budapest, was of course cancelled. No word has been received for several months from the staffs of these organizations.

Rural Housing

PUBLIC HOUSING, now accepted as a function of urban government in all but a few states, has this year established itself also as a new and significant activity of rural county government. Rural housing authorities have been established in more than a dozen states, and six of them—one each in Arkansas, Mississippi, Georgia, South Carolina, Indiana, and Illinois—have received loans from the United States Housing Authority for the first 1,500 low-rent farmhouses.

The administrative structure for county housing parallels that for city housing. The authority usually is established and its members appointed by the county governing body, but thereafter it exists as an independent corporate agency with power to borrow, enter into contracts, acquire and own property, and sue and be sued.

In design the rural housing projects will be different from urban developments in that the homes will be constructed on individual farms, rather than in compact groups. The first farmhouses let to contract were bungalows of five rooms, costing less than \$1,400 each. The farms selected as sites for these low-rent houses must first be certified by the U.S. Department of Agriculture as desirable agricultural economic units. The rents for these U.S.H.A.-aided farm houses will be about \$50 a year.

The beginning of the rural housing program gives states which are predominantly rural their first opportunity to participate widely in the U.S.H.A. program. The southern states, with their high proportion of farm tenancy, have taken the lead in organizing rural authorities. Georgia alone, at a recent count, had housing authorities established in 112 counties.

Louisiana Reorganization

THE groundwork for a complete reorganization of the administrative structure of the Louisiana state government has been provided by a legislative act signed by Governor Sam Jones on July 8.

The act sets up 20 departments in which are grouped all functions of the government except those assigned to two independent establishments—the state university and the personnel agency. In several departments, however, there are units that are virtually independent of the department head. The director of each department is to be responsible to and appointed by the governor, with Senate confirmation, except that one department each is assigned to the five elected administrative officials and one board.

The governor is made chairman of an executive cabinet consisting of himself and the department heads. The cabinet is required to meet at least monthly. The position of secretary to the executive cabinet is created with the intention that the holder shall be a permanent official concerned with strictly administrative as opposed to political matters.

The finance department is divided into the divisions of the budget, of accounts and control, of purchase and property control, of state buildings, of local government, and of administrative services.

A companion act, the fiscal code of 1940, establishes procedures for financial operation, including preparation and execution of the executive budget. The budget officer is authorized to make quarterly allotments to departments on the basis of work programs submitted as prescribed by him.

The position of auditor of state is created as an agency of the legislature, concerned only with post-audit.

An amendment to fix in the constitution the principles and some of the details of the reorganization act and fiscal code will be submitted to the voters in November.

New York Police Mobilization

THE administrative machinery by which all of the 1,600 separate police forces in New York state can be mobilized and coordinated in event of an emergency has been established under the direction of Governor Lehman. The scheme was developed as part of the defense organization planned in that state.

The plan maintains the enforcement of law during emergency conditions in the hands of regularly constituted police officers, instead of volunteers or vigilantes, and it permits the use of the total police resources of the state.

To coordinate the local police forces, the plan sets up within the state eight mobilization districts, one being New York City, and the other seven corresponding to the state police districts. The mobilization coordinators are the New York City commissioner of police and the captain of each state police district. The coordinator is responsible for preparing and maintaining a record of all police personnel within his mobilization district, transportation and radio communication facilities, equipment, and detention facilities. If the Governor proclaims an emergency, he must assemble from these resources sufficient aid to meet the needs of any authority requesting it.

During a mobilization, the commanding officer in each urban area will be the city chief of police, and in each rural area an officer designated by the Governor.

Plans similar to those effected in New York are being considered by officials in New Jersey and Virginia, working on corresponding programs for their states.

Long-range Public Works Plans

THE experience of cities in the long-range programming of municipal public works has been summarized in a publication of the Public Works Committee of the National Resources Planning Board. The report sets forth the conclusions drawn from the experiments in seven "demonstration" cities, as well as from the experience of several cities which had previously made progress in public works planning. It will be used by the Committee as a guide in encouraging other cities to undertake similar experiments.

In each of the demonstration cities, a long-range program was developed under the auspices of the Committee. Each city has published its own report presenting the program adopted and recommended operating procedures. The new Committee publication deals with the organization for works programming, procedure for selecting works to be undertaken, and methods of analyzing financial considerations involved.

The seven cities chosen for the demonstration project were Winchester, Kalamazoo, Nashville, Dallas, Fargo, Spokane, and Sacramento. Other cities whose programming experience was studied were New York City, Richmond, Cincinnati, Milwaukee, and San Diego.

Attorney-General's Committee

THE Attorney-General's Committee on Administrative Procedure, appointed at President Roosevelt's request late in 1939 and headed by Dean Acheson, former Undersecretary of the Treasury, has completed a series of preliminary reports and is expected to present its final conclusions in the late autumn.

The first publications of the committee are twenty-seven monographs dealing with the procedures by which various agencies adjudicate private rights or make rules affecting private interests. Thirteen of these were printed, and the other fourteen were distributed in mimeographed form.

Following distribution of the monographs, the committee compiled comments and criticisms upon the data. A series of public hearings for this purpose was held during the summer.

County Reorganization

NORTH DAKOTA voters in the June primary election adopted a constitutional amendment which clears the way for reorganization of county government structure in that state. The legislature may now draft alternate forms of county government, and counties may thereafter adopt one of the alternate forms by referendum. The referendum may be initiated either by a two-thirds vote of the county legislative body or by petition of 15 per cent of the electorate. By the same process, counties may vote to consolidate or to dissolve their government.

City Research Department

A RESEARCH department has been set up by the City of Houston, Texas, to serve the city commission and municipal departments as a statistical and fact-finding agency, an office for the survey of administrative organization and methods, and a general reference bureau and library.

The department, of which Mr. Gordon H. Turrentine is director, has already carried out such assignments as devising forms and procedures for a new traffic court, issuing quarterly municipal reports, preparing for an annual report, revising the method of making certain purchases, assisting in the preparation of a comprehensive traffic code, and installing a records system for the garbage department.

Los Angeles Charter Revision

THE revision of the Los Angeles city charter, now being prepared by a committee appointed by the mayor and approved by the council, is expected to strengthen and integrate the administrative branch of the government by enlarging the powers and controls of the mayor, and by eliminating administration by certain departmental boards and commissions.

The charter revision committee, which includes forty-five citizens, has nine subcommittees to work on special aspects of the charter, and a coordinating committee to review and integrate their findings. The committee is being assisted by a number of consultants, among them two administrative assistants from the office of the mayor.

Coordinated Research

A COOPERATIVE research program embracing practically all research workers in the field of public administration in Virginia is now progressing under the guidance of the state's unique Council on Public Administration.

The Council was established in June, 1938, by Governor James H. Price and is headed by him. Among its members are representatives of the principal advisory and planning agencies of the state government, and the heads of the principal educational institutions engaged in research. Its purpose is to coordinate and give direction to the research work of public and private agencies within the state. It now serves as the clearing house for projects of a score of

colleges and universities, the state planning board, the legislative council, the commission on county government, the state chamber of commerce, the league of municipalities, the division of statutory research and drafting, and the section on administrative planning and management research of the division of the budget.

The Bureau of Public Administration of the University of Virginia provides a secretariat to the Council, finds research workers for the affiliated agencies, assists these workers in making contacts and in other ways, and publishes a periodical bulletin describing projects undertaken.

The Council has appointed three committees. One has been assigned the task of developing a master plan of public administration research, and is beginning by preparing a bibliography of research materials; it has recently published a directory of organizations and individuals engaged in study of state and local government. The committee on popularization of public administration research was active in securing at the last session of the legislature authority for the consolidation and editing of departmental reports, and a general survey of the manner and substance of official reporting in Virginia is now under way. The committee on public service training has developed to date one in-service training program in the Richmond area as a cooperative enterprise of the University of Richmond, William and Mary College, and the University of Virginia.

News of the Society

THE SECOND annual meeting of the American Society for Public Administration will be held at the Palmer House, Chicago, Illinois, on Saturday, Sunday, and Monday, December 28, 29, and 30. The American Political Science Association's annual meeting will be held at the same time, but starts one day earlier, on Friday, December 27. Several sessions will be held jointly by the two organizations and members of the American Society for Public Administration will be welcome to attend any of the sessions of the American Political Science Association.

A program of the meeting will be mailed to each member of the Society when final arrangements have been made. The preliminary program, which is tentative and subject to revision, is as follows:

SATURDAY, DECEMBER 28

- 9: 30 A.M. Joint Round Table Meetings
1. Problems of Personnel Administration
 2. Problems of Administration under American Federalism
 3. The Problem of Public Debt
 4. Local Government
 5. Public Reporting
 6. Governmental Aspects of National Planning
- 12: 30 P.M. Joint Luncheon, American Society for Public Administration and American Political Science Association
Subject: Recent Trends in State Administration
Speakers: Governor Stassen of Minnesota and Governor Stark of Missouri
- 2: 30 P.M. Unscheduled. For visiting and informal discussions as members may desire
- 8 P.M. Joint Session, American Society for Public Administration and American Political Science Association
Presidential Addresses by President Mosher and President Brooks
- 9: 30 P.M. Joint Smoker

SUNDAY, DECEMBER 29

- 9: 30 A.M. American Society for Public Administration Breakfast Meetings
Subjects: 1. The Revenue Side of the Budget
2. Measurement of the Qualities of Administrators
3. Problems of Office Management
4. Research and Government
- 2: 30 P.M. American Society for Public Administration General Sessions
Subject: Executive Office of the President: papers by representatives of the principal divisions of the Executive Office
- 8 P.M. American Society for Public Administration Business Meeting

MONDAY, DECEMBER 30

- 9: 30 A.M. Joint Round Table Meetings, American Society for Public Administration and American Political Science Association
Continuing Round Tables from Saturday morning session
- 12: 30 P.M. Joint Luncheon, American Society for Public Administration and American Political Science Association
Subject: One Hundred and Fifty Years of Civil Liberties in the United States
Speaker: Senator Robert M. La Follette of Wisconsin
- Afternoon: Members of the American Society for Public Administration and the American Political Science Association are invited to visit the University of Chicago and the organizations at 1313 East Sixtieth Street

Chapter Organizations

STEPS toward the organization of local chapters of the Society have been taken in all parts of the country, with thirteen local groups holding organization meetings during the late

spring and early summer this year. Most of these groups made plans to complete their organization and launch a program of meetings during the fall, but two of them—those which met in Richmond and Sacramento—went further, adopting constitutions, electing officers, and being designated chapters of the Society.

President Mosher or some other member of the Council of the Society attended each of the organization meetings to explain the general purpose of the Society. Besides Richmond and Sacramento, the cities in which meetings were held were Minneapolis, New York, Chicago, Boston, Washington, Los Angeles, San Francisco, Estes Park, Colo., Cleveland, Albuquerque, and Portland, Ore.

The officers of the Virginia Chapter of the Society, organized at Richmond on May 10, are: C. H. Morrisett, state tax commissioner, president; Warner Moss, professor of political science at the College of William and Mary, vice-president; Raymond Uhl, acting director of the Virginia Bureau of Public Administration, secretary. Directors are Sidney Adair, field office manager, Bureau of Old Age Insurance, Social Security Board; Edward H. Beck, town manager of Abingdon; Gamble M. Bowers, director of public works, City of Richmond; William Grenoble, statistical assistant, office of the state comptroller; C. B. Leach, Jr., office engineer, state highway department; James A. McAlcer, state supervisor of research and records projects, Work Projects Administration; Clarence Newman, director of research, State Chamber of Commerce; George W. Spicer, University of Virginia; and John A. Watts, junior personnel executive, state division of the budget.

The Sacramento Chapter elected the following officers on July 18: Louis J. Kroeger, executive officer of the California state personnel board, president; Eleanor Hitt, assistant state librarian, secretary-treasurer; Frank Durkee, attorney in the state department of public works, vice-president. Directors are James Dean, city manager of Sacramento; Clarence Langstaff, chief deputy of the state legislative council; and Clarence E. Malm, principal accountant in the state department of finance.

The Chicago Chapter, which held its first meeting in May, completed its organization at a meeting held on September 27. The following officers were elected: Peter T. Swanish, commissioner of placement and unemployment compensation, Illinois State Department of Labor, president; Blaine F. Hoover, superintendent of employment, Chicago Park District, vice-president; and Earl H. De Long, professor of political science, Northwestern University, secretary-treasurer.

Mr. Collis Stocking, chief of the research and statistics division, Bureau of Employment Security, Social Security Board, addressed this meeting on the subject, "Respective Roles of the Federal, State, and Local Governmental Agencies Concerned in the National Defense Program."

The following chapter organization meetings were scheduled for the early autumn: Washington, D. C., October 15, (speaker, Archibald MacLeish, librarian, Library of Congress); New York City, October 17, (speaker, Lieut. Col. Brehon B. Somervell, administrator of the New York City field office of the Work Projects Administration); Cleveland, October 22; Minneapolis, November 7.

HARVARD BOOKS

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A scientific and impartial statement of the facts concerning the section of the population which went on work relief and an appraisal of the work relief system. Most of the data were collected in Massachusetts, but further information was secured wherever possible all over the country. The weakness and strength of the WPA are shrewdly appraised, and suggestions offered for making the whole system more efficient. \$3.00

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Economists and statisticians will welcome Mr. Leontief's study as a provocative effort to put concrete analysis of the American economy as a whole on a firm factual and theoretical basis. Problems of saving and investment, the productivity of labor, and standards of living are discussed in connection with the quantitative aspects of the basic structural trends for the recent decade. Ready shortly.

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